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The New People's Army: A Nation-wide Insurgency in the Philippines

F.A. MEDIANSKY

After a personal visit to the Philippines in June 1984, the Commander of the U.S. Forces in the Pacific, Admiral William Crowe, wrote a "deeply pessimistic" report about the rapidly deteriorating internal security outlook for the country.[1] Within the next twelve months, three more of the Reagan Administration's top security managers in the Pacific followed Admiral Crowe to Manila. Assistant Secretary of State for East Asian Affairs, Paul Wolfowitz, Assistant Defence Secretary Richard Armitage, and CIA Director William Casey all came to make their own first-hand assessment about the prospects of checking a hitherto little known insurgency which was increasingly challenging an otherwise embattled Marcos regime. Alarm bells also began to sound in regional capitals: in Jakarta, Singapore and Tokyo.[2] In Canberra, the Foreign Minister, Bill Hayden, raised the prospect of Australia being asked to help maintain the security of the U.S. bases in the Philippines, and later revealed that communist guerrillas on Samar Island had warned Australian aid workers about helping the "oppressive and corrupt" Marcos regime. After further encounters with the insurgents, Canberra downgraded its aid project very substantially and withdrew its nationals from the Samar integrated aid project.[3]

Until the early 1980s, the guerrillas, the New People's Army (NPA), were regarded as no more than a nuisance. The insurgency's short history goes back to the split within the Philippine Communist Party (PKP) in the late 1960s. The schism was brought on by tensions which had been building up between the entrenched and more orthodox leaders of the Party and some of its better educated and more free-wheeling members. Attracted to the Chinese and Cuban revolutionary experience, the latter group were more middle class revolutionaries; many had learned their Marxism on the campus of the University of the Philippines. The leadership of the PKP became wary of the "self-made Marxists" and the failure to reconcile differences led to the fracture of the Party in 1967.[4] While the break was the result of internal divisions within the communist movement in the Philippines, it was increasingly reinforced by the bitter schism between the Soviet and Chinese Communist Parties. By the early 1970s, the breakaway Communist Party of the Philippines (CPP) was siding with China. Chinese support for the expelled dissidents in turn led the PKP to move closer to the Soviet party.

From the outset, the CPP sought the endorsement of Beijing. Its leaders drew heavily on Mao's thoughts, used his revolutionary language and saw an apposite model in the Chinese agrarian revolutionary experience. For its part, Beijing was favourably inclined towards the CPP whose leaders travelled to China.

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"frequently".[5] However, relations between Beijing and the CPP cooled considerably after 1975 when China and the Philippines established diplomatic relations.[6] Thus, while the CPP established Chinese links from the outset, and has been profoundly influenced by the Chinese revolutionary model, it has developed in isolation and remains a substantially independent and indigenous communist movement.

The CPP leaders joined forces with a remnant Huk guerrilla unit under Bernabe Buscayno, better known as Commander Dante. Impressed by the Party's sense of direction, Dante accepted the subordination of his unit to the CPP. As Francisco Nemenzo elegantly put it, Dante realized "that an armed group is doomed to plain banditry without political guidance of a Marxist Party" which links it to a mass movement. Thus, an "inevitable marriage" took place between an "army in search of a party and . . . [a] party in search of an army".[7] This union gave birth to the New People's Army, the military arm of the CPP, on 29 March 1969. The NPA began guerrilla operations in the northeastern province of Isabela, on Luzon island. From a few hundreds, its numbers swelled to several thousands during the early 1970s. It then suffered severe losses in encounters with government forces.[8] Having dealt a severe blow to the NPA, Manila turned its attention to the troublesome Moro rebellion in the south and so passed up its best opportunity to annihilate the communist insurgency.

The devastating setbacks suffered by the NPA in the early 1970s forced the leadership to re-think its strategy. Instead of concentrating its forces in the central mountains of Luzon with a view to establishing a relatively secure base of operations — as Mao Zedong had done in Yenan — the NPA dispersed and began operations on the other islands. Today, the insurgency has established itself almost throughout the eastern side of the Philippine islands (see map) and is most active on the islands of Luzon, Samar, Negros, and Mindanao. The NPA has what U.S. officials describe as a "meaningful presence" in about two-thirds of the country's 73 provinces, and has a substantial influence in about 20 per cent of the villages.[9] It has thus managed to break out of the regional confinement which characterized its two predecessors, with the result that the central government is, for the first time, faced with an insurgency throughout the length, and increasingly, the breadth of the nation.

Confrontations between the NPA and government forces have increased rapidly. In 1977, there were 70 encounters; in 1980 there were 83; and during 1984 there were 3,500, 75 per cent of which had been initiated by the guerrillas.[10] It has been reported that the NPA now operates 59 "fronts" throughout the country[11] — that is, operational commands which typically encompass several adjacent towns and villages, a party organ, an NPA unit, and supporting locally based organizations.

More recently, the NPA has begun to move into the provincial cities of Mindanao and is especially virulant in Davao, which was identified in the 1970s as having the most favourable conditions for urban guerrilla activity. A handful of unarmed activists established themselves there in the early 1980s; their number is

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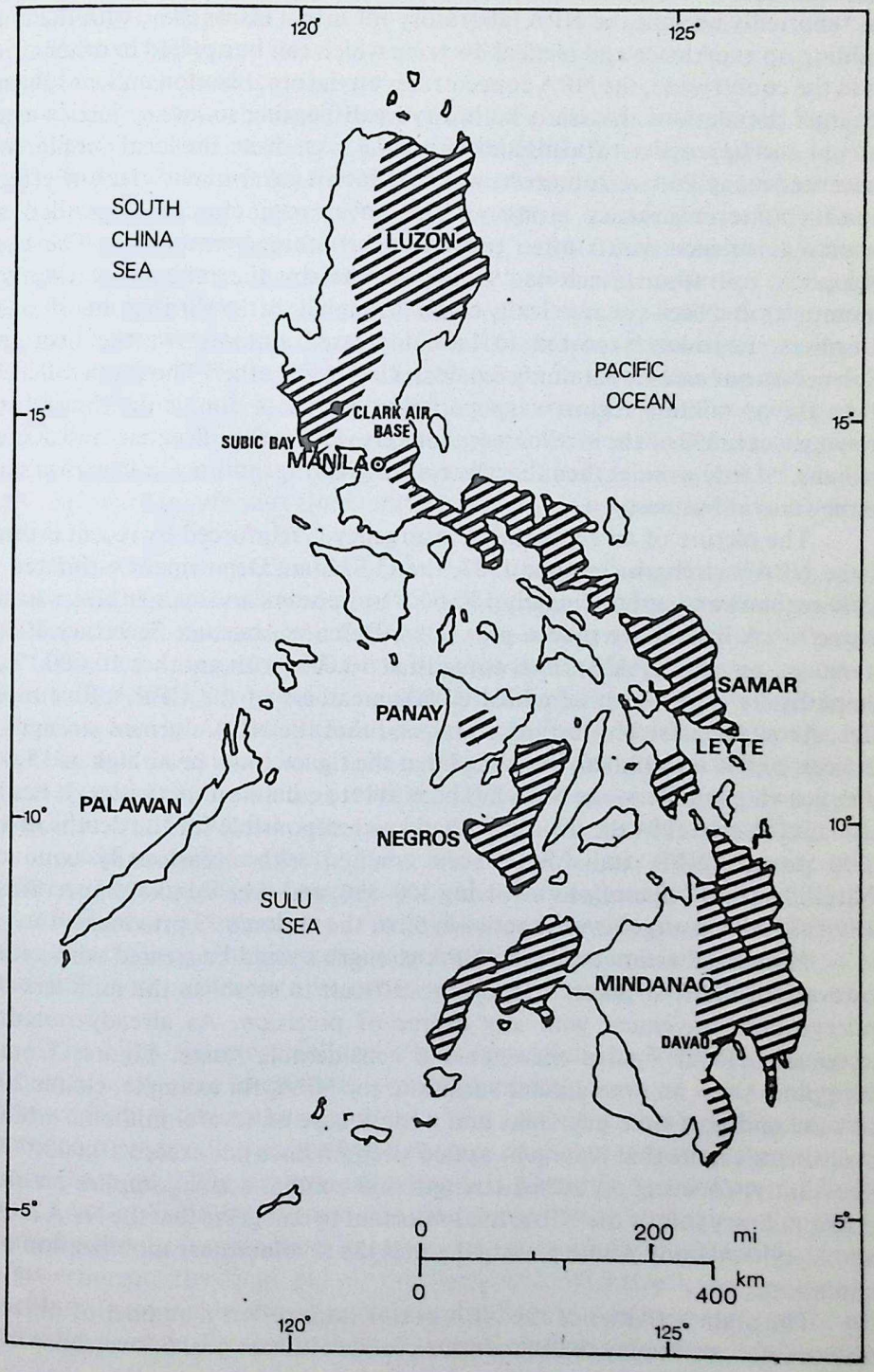
NPA ACTIVITY IN THE PHILIPPINES



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now estimated to exceed 2,000.[12] Today, urban guerrillas, "armed city partisans", move through the squalid shanty towns of Davao like "crabs in the mud". Davao has reportedly become the NPA laboratory for urban insurgency, with the aim of building up experience and tactical doctrine which can be applied in other cities.[13] As in the countryside, the NPA concentrates on the organization and mobilization of target populations. It asserts authority by dispensing summary justice against corrupt and oppressive officials and by raising taxes from the local people. What concerned many Western observers was the Marcos government's lack of effective urban counter-insurgency strategy. The government forces responded with escalating violence which often proved to be counter-productive. The use of unpopular operations, such as "zoning", whereby the military cordon off a community and then systematically comb through it, often with the aid of masked informers, is widely reported to have increased support for the insurgents. Violence on one side is commonly repaid in kind by the other. The death toll in 1984 in the Davao military region was reported to be 800 — double the figure for the previous year; 350 of the victims were soldiers, 150 were policemen, and 300 were civilians.[14] Little wonder then that the fastest growing industry in Davao is said to be the funeral business.

The picture of an accelerating insurgency is reinforced by recent estimates of the NPA's strength. In June 1983, the U.S. State Department estimated it at 7,500 regulars and approximately 100,000 "supporters and sympathizers to some degree".[15] A little more than a year later, Defence Assistant Secretary Richard Armitage, put the NPA's armed strength at 10,000, with another 10,000 "active sympathizers", to which he added 60,000 members of the CPP.[16] Five months later, Armitage raised his estimate and said that the NPA's armed strength was between 10,000 and 12,000, but added that the figure could be as high as 15,000.[17] With growing numbers, the NPA has been able to escalate its activities. It has been estimated that in 1984 the insurgents had been responsible for the deaths of some 2,000 people. NPA units have been credited with occasionally conducting "battalion-sized" operations involving 200–300, and even up to 400 guerrillas. By early 1985, the insurgents were active in 62 of the nation's 73 provinces.[18]

Numerical estimates of the NPA strength should be treated with caution, however. In the first place, it is always difficult to establish the numbers of an underground movement with any degree of precision. As already noted, the American official figures encompass a considerable range. Figures from the Philippines show an even greater variation: the NPA, for example, claims 20,000 full-time and part-time guerrillas and a mass base of several millions, while the government claims that insurgent armed strength does not exceed 10,000.[19] More importantly, focusing on armed strength and combat activity implies an unduly narrow military role of the NPA. It is important to recognize that the NPA is essentially a political body whose principal aim is the revolutionary mobilization of the population.

The main activities of the NPA at this stage reflect a number of objectives which are designed to lay the foundations for its ultimate goal of overthrowing the

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government. These can be summarized as:

— helping to build a nation-wide united front;
— building rural bases;
— armed struggle; and
— agrarian revolution.

In this wider context, the significance of the NPA extends beyond that implied by the military activities of about 12,000–15,000 lightly armed guerrillas.

The structure of the CPP/NPA is such that it maintains central control while allowing local initiative. The organization is hierarchical, with cadre and guerrilla units at each level. At the apex is the Central Committee which is thought to be located in Luzon and which directs the nation-wide activities of the NPA. Subordinate CPP/NPA committees exist at the regional, front, district, section and party branch levels (see Figure 1). Guerrilla units are divided into regulars and local militia forces. The regulars are better trained and armed and operate in larger formations throughout a designated area. Operational control is by regional or front commands. The local forces operate at the lower district and section levels. Less mobile, these units are armed and operate in smaller formations on a full-time basis. Below these are part-time militia units which operate at the party branch level.

The widespread activities of the NPA throughout a fragmented country have made it necessary to operate on the twin principles of "centralized leadership and decentralized operations". In practice, this requires isolated units to carry on their activities for prolonged periods without superior guidance or external support. The ability to conduct operations in isolation reflects a high level of motivation, discipline and leadership that is generally maintained by the NPA. These characteristics have made it less vulnerable to government efforts to undermine it by capturing and killing its principal functionaries. The ability to operate throughout the Philippine islands and so force the government to spread its counter-insurgency forces more thinly, sets the NPA apart from its predecessors. Unlike the Huk and the Moro uprisings, which were regionally confined, the NPA has embarked on a programme of building a nation-wide mass base designed to enable it to challenge the government simultaneously at several points and so deny it the ability to concentrate its superior military resources against the weaker insurgents.

The NPA's strategy follows a long-term plan. Its leaders know that the insurgency needs time to establish popular support, to spread out, to open more and more front organizations, and to build its armed strength. Following classic Maoist insurgency doctrine, the NPA strategy envisages three successive phases:[20] the present stage, "the strategic defensive", is primarily focused on building the basis of nation-wide insurgency; the next phase, "the strategic stalemate", is achieved when the insurgency is strong enough to frontally challenge the forces of the government; the final phase, the "strategic offensive", occurs when the fortunes of the two sides have been reversed and the government is forced to adopt a defensive posture. Presently, the insurgency is judged to be in an advanced stage

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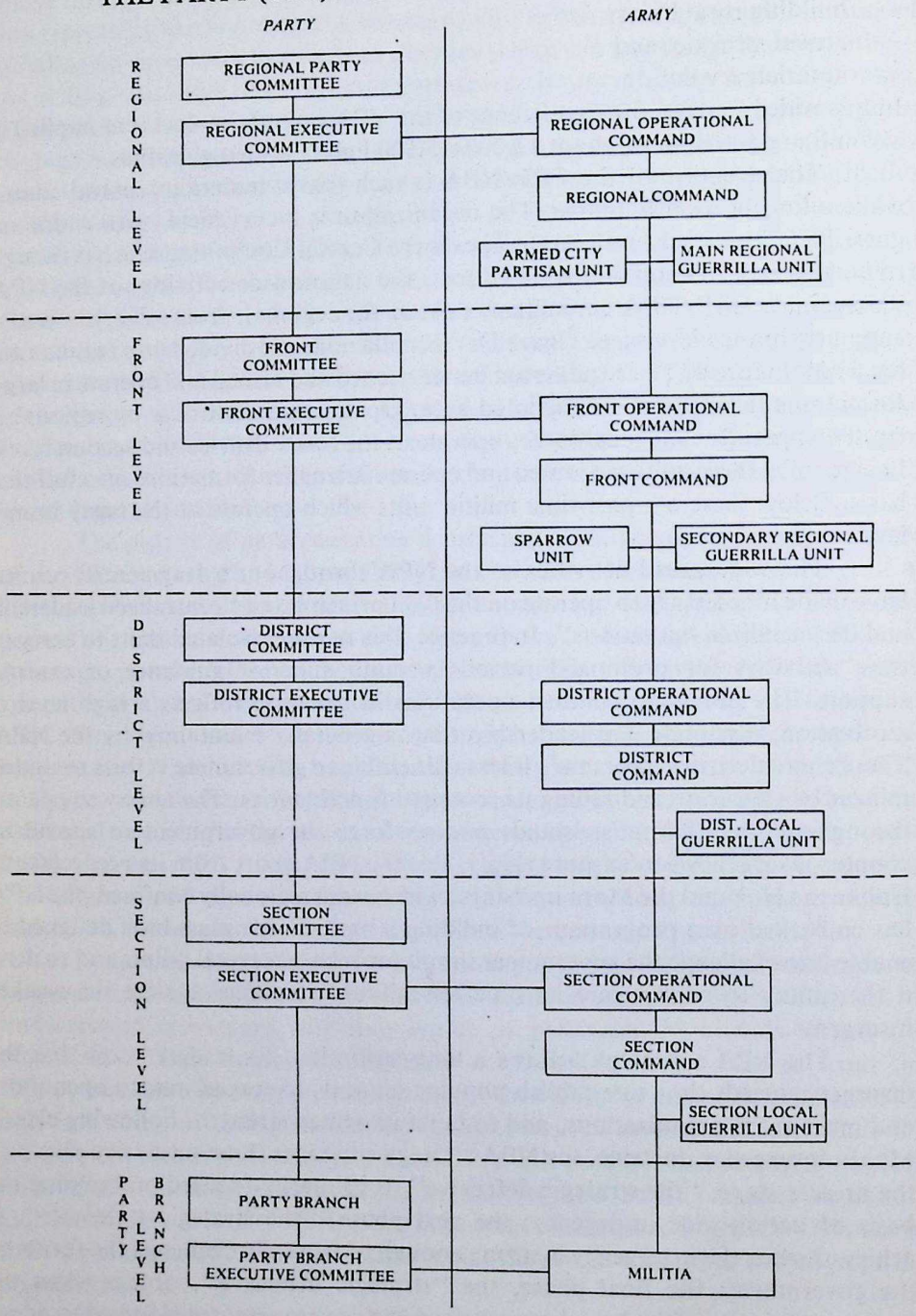
FIGURE 1
THE PARTY (CPP) AND ARMY (NPA) ORGANISATION



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of the strategic defensive, and developing at an impressive pace. Indeed, Secretary Armitage recently told the U.S. House of Representatives that if the current rate of progress is maintained, then the NPA will, "within three to four years", succeed in stretching the AFP (Armed Forces of the Philippines) sufficiently to move into the next phase, the strategic stalemate.[21] This projection has serious implications for the United States, because the NPA would attain the "strategic stalemate" at a time when the current phase of the U.S.-Philippine military bases agreement will have expired and, consequently, the future of the bases will be open to a comprehensive review.

The lack of external support has forced the NPA to be fully self-reliant in meeting its material requirements. Weapons are either captured or bought from government sources. Indeed, most of the armed confrontations initiated by the NPA have been for the purpose of acquiring arms. For such operations, vulnerable targets in the form of small isolated government units are chosen. The Civilian Home Defence Forces (CHDF), which usually carry small and antiquated weapons, is also considered to be a soft target. Other sources of arms are the numerous privately maintained security forces throughout the country. There is considerable uncertainty about the amount of weapons held by the NPA. A U.S. Senate Report cites an estimate of between 10,000 and 20,000 weapons, mostly small arms, but also including some machine guns and grenade launchers.[22] It is unclear whether the limited quantity of weapons restrains the NPA's military activities. The Staff Report of the U.S. Senate concludes that "the NPA apparently captures sufficient ammunition and equipment to sustain its current level of activity but probably would be hard pressed . . . to mount a major, extended offensive."[23] Another assessment is that of U.S. Deputy Assistant Secretary of Defence, James Kelly, who has suggested that the NPA is short on arms and consequently "a substantial number of would-be guerrillas . . . [are] in fact unarmed".[24]

The NPA funds itself by levying "revolutionary taxes" on large rural enterprises such as plantations and timber concessions; those belonging to Marcos' "cronies" are said to have been favoured targets. In NPA-controlled areas, the populace are "asked to give" according to their means: a few kilos of rice; a chicken; some salt or perhaps a few pesos. The commercial enterprises are taxed less gently. For example, a logging concession in the Cagayan Valley in northeastern Luzon is reportedly subject to a formal system of levies: US$550 for each bulldozer; US$55 for a logging truck; and 3/10 of a cent per broad foot for logs. Failure to pay usually results in the destruction of equipment or even the assassination of company employees.[25] The payment of "revolutionary taxes" in areas where the NPA is active has apparently become widely accepted, so that it is now regarded as an unavoidable cost of conducting commercial enterprises.

It seems that the NPA is hardpressed to cover the material needs of its forces. Arms are probably in short supply — at least in some regions. Despite funds from "revolutionary taxes", the lot of a guerrilla is a hard one; his rations are often meagre and, according to one report, sometimes sufficient for only two

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modest meals a day.[26] To offset inferior weapons and inadequate supplies, the NPA units depend on good discipline, superior knowledge of local conditions, and geography. Above all, the NPA relies on the support of the local population. According to one report, government forces can only question children — some of whom serve as NPA look-outs and couriers — because the soldiers claim that "talking to grown-ups is a waste of time".[27] The hostile attitude of the local population towards the government forces and its more sympathetic attitude towards the insurgents has attracted the attention of the American Senate Report:

> Many people we interviewed disparaged the AFP and its activities, while describing the NPA's actions in positive terms. One such source characterised the NPA as the armed group that was 'highly disciplined and wore uniforms', and contrasted this with his view of the AFP as unruly and ill-clothed.[28]

During the current "strategic defensive" phase of the insurgency, the NPA usually uses violence to achieve one of two objectives — to acquire weapons or to establish its authority — by dispensing summary justice against corrupt or otherwise unpopular officials. The aim in the latter case is to establish the authority of the NPA as the (often only) source of justice available to the local people. NPA assassination squads — called "sparrow units" — single out corrupt officials, often with local sympathy. "Crony capitalists" and other wealthy groups are also targets, thus helping to cultivate the "Robin Hood image" of the NPA. More recently, the NPA appears to be attacking some of the government's positive programmes, such as local infrastructure projects, aimed at improving local conditions. For example, an Australian aid project in Samar was challenged, not so much because it was causing disruption or creating local grievances, but because it was regarded as strengthening the local standing of the central government.

Outside the Philippines, it is almost universally acknowledged that the widespread abuse of the population by the government's civilian and military functionaries is a major factor contributing to the support for the NPA. Indeed, during its currently weak state, the very survival of the NPA depends on the local populations. Support appears to be increasingly forthcoming, despite the very great personal risks involved. Widespread and sometimes indiscriminate brutality and torture have been an integral part of the military's counter-insurgency tactics since the Huk rebellion and they seem to be increasingly employed in response to the growing NPA insurgency. The U.S. State Department's *Country Reports on Human Rights Practices for 1983* recorded more summary executions by government forces in the first half of 1983 than during the whole of the previous year. Michael Posner, the Executive Director of the Lawyers Committee for International Human Rights, told the U.S. Senate in September 1984 that:

> The past two years have also marked an increase in the cases of disappearances, the unlawful abduction of civilians by government forces. Those who survive arrest or unlawful abduction by security forces are frequently tortured in a

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> barbaric fashion. Persons seized as alleged subversives are beaten, suffocated, choked with water devices, subjected to electric shocks, burned, raped and mutilated. Like political killings and disappearances, documented instances of torture increased sharply in 1983, and continued to be a serious problem in 1984. Today, torture is a standard operation procedure of Philippine security forces engaged in counter-insurgency efforts.[29]

Counter-insurgency operations such as "clustering" — the forced movement of people into secure concentrations — and "zoning" — cordon and search operations — are often cited as having caused local disaffection.[30] In addition, the assertion of military control in a locality often brings about unintended results. Decline in business confidence and the closure of some local businesses often occur after the military has come into a district to clean out the guerrillas. Diminished employment opportunities inevitably result. Exploitation of the depressed economic conditions by unscrupulous and better protected entrepreneurs exacerbate local tensions. In the end, the net beneficiary is the CPP/NPA.

The corrupt and brutal behaviour of the military contributes substantially to popular disaffection. Ill-fed, ill-clothed and undisciplined soldiers have alienated the villagers by petty thefts and the abuse of women. Such behaviour is often due to the soldiers being inadequately supplied; and these shortages have led some local commanders to impose their own taxes. For example, one businessman in Mindanao estimated that he spends 250,000 pesos annually to support the locally deployed military units.[31] Faced with pressure to support the military as well as the insurgents, it is understandable that many turn to the latter — if only because they are often better disciplined and at least appear to be more concerned with local grievances.

The soldiers are not the only cause of popular grievances. Civilian authority also bears much of the responsibility. The protection of the law is far from reliable. Under Marcos' presidential decrees — which were upheld by the Supreme Court — anyone deemed by the President to be a threat to national security can be detained indefinitely without being charged.[32] Moreover, the absence of legitimate and effective channels for the expression of social, political and economic grievances has turned many towards the NPA.

The record of the military in dealing with the NPA is far from impressive. As already noted, there seems to be no effective counter-insurgency programme against the urban guerrillas in Davao. The situation is not much better in the countryside. Initially, the government responded by repeating the anti-Huk tactic of isolating the insurgency and destroying its leadership. While this enjoyed some notable successes, it led to what is now a principal element of the NPA's strength: its dispersed activities, which in turn have forced the government forces to be stretched so that their own operational capabilities have been weakened. Yet, the entire blame does not rest with the military. Inadequate resources for civil programmes and an inadequate administrative apparatus also contribute to the

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sorry state of affairs. In all, the ability to mount a comprehensive and effective counter-insurgency programme seems to be beyond the government. This pessimistic prognosis is supported by the U.S. Senate Report:

> We came away from the Philippines harbouring serious doubts whether or not the civilian government and the . . . [military] were up to meeting the Communist challenge. Such a complex task requires a coordinated effort on the part of many departments and agencies. Instead, the government to date appears to be working at cross purposes. Civilian officials . . . complained bitterly to us that they could do little until the AFP (Armed Forces of the Philippines) drove the NPA back into the hills. The military countered that the civilians are at fault for not bringing needed services to the rural poor. Overall, we found the insurgency much worse than we had anticipated. The NPA has painstakingly organised areas under its control and methodically expanded its influence. Government efforts have thus far failed to contain the Communist advances. And in fact, the situation seems to be deteriorating rather than improving.[33]

Until the latter part of 1984, U.S. concern with the insurgency was slight, as indicated by U.S. Senator Haiyakawa after visiting the Philippines in January 1980. In his report, the Senator expressed an optimistic view and claimed that the press had exaggerated the insurgency:

> Actually, the situation is somewhat better than it was six months ago. The economic problems are now less serious than they were and there is a feeling that the Philippines can weather the storm.[34]

The Senator added that the Philippine "army is undoubtedly a force to be reckoned with; it is not large but its technical skills are quite high".[35]

Being satisfied that American interests were not endangered and having successfully concluded the re-negotiation of the military bases agreement in the Philippines, Washington turned its regional concern in the early 1980s to the growing Soviet presence in Indochina — and indeed, it encouraged Manila to do likewise. Consequently, there was little American direct involvement in counter-insurgency operations. There were, however, a few exceptions, such as the participation of American forces in joint "off-base security operations" against the NPA.[36] It also appears that during the past decade, U.S. military authorities in the Philippines have provided material assistance and, at least on one occasion, personnel, for some counter-insurgency missions.[37] The sanguine attitude in Washington was no doubt reinforced by the attitude of the Philippine Government which dismissed the NPA as being made up of no more than small groups of criminals and bandits. Defence Minister Juan Ponce Enrile recently was reported to have said that while the NPA remains without external support, it "will remain a guerrilla organisation using low calibre fire-arms to do its thing".[38] Similarly, President Marcos boasted that the AFP would lick the NPA "within

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six months''. The credibility of such assessments, however, is undermined by suggestions from government ministers that U.S. intervention might be needed.[39]

By the latter part of 1984, Washington had come to focus on the internal security situation in the Philippines; and what it saw gave rise to considerable alarm. After personally inspecting the situation, American security managers found a fast growing insurgency which was beyond the capabilities of the embattled Marcos government. What must have deeply disturbed U.S. officials was the lack of serious attention given by the Marcos government to the insurgency. The concern of the Filipino generals was clearly elsewhere. After years of martial law, the officer corps has become deeply politicized. The focus of many senior officers was fixed more on Manila and on the waning political fortunes of the Marcos regime than on the unpalatable need to root out the NPA in remote parts of the country. The U.S. State Department noted that despite a serious internal security situation, the regime was spending only 1.1 per cent of the GNP (gross national product) on defence — the lowest in Southeast Asia.[40] Moreover, despite the pressing requirements of meeting the internal security crisis, the military arms procurement list was until very recently sprinkled with high technology items that are better suited to a rich nation bent on enhancing its prestige and its offshore power projection. Meanwhile, basic military capabilities were ignored, so that the military is inadequately trained and supplied and lacks the basic ability to move, shoot and communicate in the field.[41]

The United States began to press the already economically depressed Marcos regime to adopt a far-reaching programme of political, economic and social reforms. Much faith was placed in the restoration of democracy, the elimination of corruption, and the dismantling of crony capitalism. Thus, President Reagan wrote to Marcos in March 1984 that "continued movement toward fully functioning democratic institutions . . . is the key to building of both economic and political confidence.''[42] As Washington realized the full extent of the internal security crisis in the Philippines, it came to focus on military reform as the most promising in the short term. Richard Armitage told the U.S. Congress in March 1985 that, "the situation in the Philippines will not substantially improve unless the AFP improves''.[43] The Administration no doubt reasoned that besides being a front-line component in a counter-insurgency programme, the military is bound to be more responsive to American pressure for reform than socio-economic programmes, which would not only take time to permeate, but were also likely to meet with resistance from vested and powerful domestic interests upon which Marcos depended.

American officials have made little effort to disguise their satisfaction in seeing Marcos' closest associate, General Ver, replaced by General Ramos as the then acting Commander of the AFP. The West Point-trained Ramos is credited in Washington with being the most likely senior officer to overhaul the military and turn it into an effective counter-insurgency force. Much needed reforms were initiated by Ramos, at least on paper. Probably as a result of American pressure, major (and prestige) weapons procurement priorities were abandoned in order to

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improve the AFP's basic counter-insurgency capabilities.[44] Service conditions were improved so as to establish a more realistic foundation for better morale and discipline. The energetic Ramos also took steps to right past wrongs. Alleged military abuses were investigated, and by April 1985, 265 cases had been reviewed and 85 personnel "punished".[45] However, according to a later report in *The Economist*, hopes for AFP reform were "fading" as the retraining camps for delinquent soldiers turned out to be "as meaningless as Mr Marcos' recently announced US$55 million civil action programme to win the peoples' hearts and minds".[46]

The battle for the hearts and minds of impoverished Filipinos cannot begin too far from their bellies. Yet, the prospects for improving the material conditions of the people had become severely circumscribed by the sorry state of the economy, and were reflected in the meagre allocation of US$55 million by the Marcos regime for civil action programmes. A contracting economy and massive indebtedness undoubtedly constrained the regime in its socio-economic programmes. To this must be added the massive inefficiencies of the administrative apparatus, endemic corruption and the entrenchment of powerful élites whose interests would be substantially threatened by many substantive reforms.

Though maintaining that the Marcos regime even in its final phase could overcome the insurgency, U.S. assessments were becoming noticeably more concerned about the NPA. In early 1985, Armitage warned the U.S. Congress that "within the next three years the success or failure of the insurgency could be decided".[47] In a similar vein, the *Wall Street Journal* reported that U.S. intelligence estimated that without an effective response, the NPA could be strong enough to take power "within five years' time".[48]

Such projections might appear improbable at first. Yet, evidence is mounting to suggest that the NPA is preparing itself for a major offensive in the early 1990s. According to one report, the CPP was planning to move into the cities with the aim of bringing about "a complete breakdown" in local government "by 1990".[49]

While success within such a brief time-span might appear overly optimistic from the NPA's standpoint, widespread reports during the first half of 1985 point to an approximately five-year plan for moving on to the "strategic offensive". To reach that phase, the NPA reportedly calculates that it would need a force of between 50,000 and 60,000 guerrilla fighters.[50] A force even approximating that size would be formidable indeed, and it certainly would put the military well below the 10:1 ratio commonly thought to be necessary to combat an effective insurgency. Can the NPA do it?

By the final months of the Marcos regime, the CPP had embarked on an all-out programme of expansion. According to a Pentagon estimate, the NPA was growing at about 20 per cent per annum by late 1984.[51] An even more ambitious (but less probable) programme was reported by the *Christian Science Monitor* whereby the NPA plans to triple its forces in three years.[52] To secure the necessary weapons for rapid expansion, a campaign of arms grabbing — "*agaw*

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armos'' — was begun. To meet the massive training requirements for expansion, the NPA is inducing defections from the AFP in an attempt to tap directly into the government's military expertise.[53] As Armitage concluded, ''assuming it will reap significant gains from its military efforts, the NPA expects to be capable of attaining a strategic stalemate within 3–4 years.''[54]

Realizing that its prospects are now more favourable than at any time in the past and indeed that these could decline if present opportunities are not pursued energetically, the CPP/NPA leaders have embarked on a programme of rapid expansion. Yet, those in the leadership who have a sense of history probably realize that the Huk decision to crash through proved fatal because it triggered large-scale U.S. intervention and did much to concentrate the determination of the Manila government. On the other hand, Lenin amongst others, has stressed the importance of the bold initiative which, when taken at the right time, can carry the day for the revolution. The risks are clearly there but revolutionaries are, after all, high risk-takers.

A programme of rapid expansion is fraught with dangers. A growth rate of 20 per cent per annum can well change the character of the guerrilla forces. The present ranks of ideologically committed and disciplined guerrillas will be diluted by large numbers of inexperienced cadres whose motivations for joining the NPA are bound to be more wide-ranging. As a result, discipline could deteriorate, as could the standard of leadership within the widely dispersed units. Such developments would severely undermine what has hitherto been the NPA's greatest source of strength. The degeneration of a politically-motivated insurgency into quasi-banditry is all too familiar in the Philippines, and was the fate of the first two post-war uprisings.

Rapid expansion inevitably raises the material requirements of an insurgency which is entirely reliant on its indigenous environment. For example, increased revolutionary tax collection seems unavoidable, but as the easier sources are exhausted or prove inadequate, greater risks will need to be taken to tap less unpopular or better-protected entrepreneurs. Alternatively, the NPA can press an already impoverished populace for more support — an effort which could well be counter-productive and yield little. There is also the possibility that the less disciplined new guerrillas will use their strength for personal gain, as is often the case with the government forces.

An expanding insurgency also faces a number of added military risks. In the first place, there will be a need to secure more and more arms. This in turn will force the NPA to raid less vulnerable government units. Thus, in order to grow, the NPA must escalate the level of direct armed confrontation with the government's stronger forces. At this point, the guerrilla's inadequate training and combat experience could well become telling. In general, the larger the scale of operations, the greater the chances of decisive defeat. As the Moro rebels found, small lightly-armed units can get by far more easily with rudimentary fighting capabilities than can larger formations. Larger guerrilla units will also enable the AFP to use its air power and heavy weapons with far greater effectiveness.

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During its incipient phase, the CPP/NPA insurgency could survive, and indeed prosper, without a fully developed indigenous theoretical framework. The imported Maoist model provided an explanatory schema as well as a broad guide to action. Yet, as Francisco Nemenzo points out,

> recent developments in the Philippines and abroad (particularly in China) are baring the inadequacies of Maoism. The CPP is yet to outgrow Maoism and evolve a Marxist perspective that grasps the complexities and peculiarities of the contemporary milieu while reflecting the mode of consciousness and expressing the aspirations of the Filipino masses.[55]

A framework which addresses indigenous circumstances would need to incorporate elements which are not found in Maoism. Among these are the authority of the Catholic Church and of liberal Western political values, both of which are deeply entrenched in the political culture of the nation. In addition, history, structural economic interests, and a complex of other factors link the Philippines to the United States and to the Western international system. Accusations of neo-colonial exploitation and affirmations of solidarity with the Third World notwithstanding, a large majority of the Filipino population still see the good society in terms of the political values and ideals of the West.

The insurgency in the Philippines has reached its present stage under almost ideal conditions. Throughout its formative years in the 1970s it was almost completely ignored by the Marcos regime which at that time focused its attention on the Muslim rebels in the south. The regime's initial indifference was followed by the worst internal crisis in its history. The turmoil triggered by the assassination of former senator Benigno Aquino focused its energies on a struggle for survival which it eventually lost. Under these conditions, the NPA could develop practically unhampered. Prodded by American alarm, the Marcos regime made a belated but unsuccessful attempt to check the insurgency. The future of revolutionary politics in the Philippines has become more uncertain. On the one hand, the fall of Marcos left the insurgency with an unaccustomed measure of political respectability for having uncompromisingly opposed all that has become universally discredited. On the other hand, it now faces an untried and largely unknown government which enjoys immense popularity and which offers the Philippine people a liberal democratic alternative to revolutionary change.

Postscript

As the Marcos regime was substantially responsible for conditions which gave rise to revolutionary activity in the Philippines, its demise is not in the political interests of the CPP. If successful, the energetic and wide-ranging efforts of the new Philippine Government under President Corazon Aquino to rectify past abuses would serve to undermine the political appeal of the insurgency. In short, Mrs Aquino represents the promise of a viable non-revolutionary alternative for the

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Filipino people. Equally unwelcome to the CPP leadership is the fact that the advent of the new government has raised the resolve of the United States and Manila's other Western supporters to initiate new programmes aimed at overcoming the structural socio-economic problems of the country. The turbulent process of political succession has also served to enhance the national authority and legitimacy of the AFP. Along with the Marcos regime with which it was closely associated, the largely ineffective military has been a positive political asset for the insurgency. Not only has the process of succession done much to divorce the military from the discredited regime, but it has also brought to greater prominence the forces of reform within the Army. While at this early stage (March 1986), it is not possible to determine the future effectiveness of the AFP as a counter-insurgency force, it can be said that at least its prospects have improved.

While the Aquino government represents a major setback for revolution in the Philippines in the short to medium term, the longer term outlook remains open. At this point, it is premature to speculate on whether widespread popular support, a re-invigorated central government, and more energetic external support programmes will prove sufficient to overcome the nation's problems. Not only are the problems massive in dimension, but many of them are deeply embedded in the structure of Philippine society and its political culture. For example, widespread rural poverty and the concentration of land-ownership are not only long established but also closely linked to the concentration of political power. Moreover, depressed international prices for primary commodities, together with the nation's narrow export base, make the management of the Philippine's external debts difficult — regardless of the quality of the managers. It is difficult to see how the economic problems can be solved without Draconian measures which would bite deeply either into entrenched centres of political power or into the weaker sectors of society, much of which already live under difficult circumstances — or perhaps into both. The capacity of any liberal democracy to solve such problems is limited. In the case of the Aquino government, the issue is exacerbated by the uncertain coherence of the political forces that have coalesced around the popular but inexperienced new President.

The CPP's strategy — and indeed its future prospects — will no doubt be deeply influenced by its assessment of the new government. The Marxist framework of the leadership will lead to scepticism about the capacity of the present government to bring about the kinds of revolutionary changes to which the insurgency is committed. The leadership has not responded positively to Mrs Aquino's early gestures for national reconciliation. The personal decision of the new President to release some founding leaders of the insurgency — notably Jose Marie Sison and Bernabe Buscayno — has not brought the insurgency to the negotiating table. Instead, spokesmen for the insurgency have drawn attention to elements of continuity with the Marcos regime by criticizing the continued tenure of Defence Minister Enrile and General Ramos.[56] To date, the most telling reflection of the NPA is to be found in its recent operations, in early March, which resulted in over 100 casualties.[57]

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United States Support for the Marcos Administration and the Pressures that made for Change*

GARY HAWES

Nineteen eighty-five was the twentieth year in office for President Ferdinand Marcos. The last thirteen years of his rule have been authoritarian. His tenure in office has been marked by new levels of repression, corruption, and economic mismanagement. The Philippines, now in the midst of a serious economic crisis, has just rescheduled some US$5.9 billion of its estimated US$24.7 billion in foreign debts, and the moratorium on the repayment of principal for that debt (prior to the rescheduling) exceeded two years in length. Politically, the May 1984 elections reflected the unpopularity of Marcos. Even with massive fraud, vote-buying, and intimidation on the part of the Marcos administration, his KBL (*Kilusang Bagong Lipunan* or New Society Movement) Party was barely able to beat a disorganized and repressed opposition.[1] Difficult as it may be for outsiders to believe, the 1986 presidential elections exceeded the 1984 parliamentary elections in the level of fraud and bloodshed. And, once again, even with seemingly unprecedented levels of fraud Marcos was able to barely beat Mrs Aquino and only by having the vote counted by the national Parliament where he holds a comfortable majority.

Today, the streets of Manila are rife with rumours of President Marcos's failing health, the behind-the-scenes struggle to gain an advantageous position in any crisis of succession, and the increasing possibility of a military coup.

The February 1986 election which both Marcos and the U.S. government thought would give him a new mandate and a vice-president to solve the transition question was a fiasco. Not only is a Marcos government based on a stolen election clearly illegitimate in the minds of most Filipinos, but no one expects the transition to a post-Marcos government to follow the constitutional prescriptions.

The United States has an important stake in what happens in the Philippines, yet its foreign policy seems confused and unsure of what goals to pursue. It has been only in the last couple of years, and especially since the assassination of former senator Benigno Aquino, Jr., on 21 August 1983, that the United States has become somewhat more critical of Marcos. During this period, the United States urged a thorough and impartial investigation of the Aquino assassination and a return to democracy which would give the moderate opposition a stake in peaceful change and stability.[2]

In late June 1983, U.S. Secretary of State George Shultz stopped in Manila as part of a four-nation Asian trip and "senior American officials travelling with Mr Shultz", were reported to have said that "the Reagan Administration was seeking to open lines of communication to Filipino opposition groups that might

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someday share power after Mr. Marcos's eventual departure''. These officials went on to say that ''the Marcos regime is entering its twilight and we don't want to find ourselves in the same position we did in Iran when the Shah was overthrown''.[3] Similarly, just five days before the 14 May 1984 polls, Paul Wolfowitz, U.S. Assistant Secretary of State for East Asian and Pacific Affairs, while in Manila, reiterated Washington's strong interest in free and fair Philippine parliamentary elections.[4]

Other elements in the U.S. campaign to force compromises and elections upon Marcos were the cancellation of the Reagan trip to the Philippines scheduled for November 1983, and the move in 1984 by the House of Representatives Committee on Foreign Affairs to ''frontload'' economic assistance to the Philippines and defer military assistance to a later year — presumably, after progress had been made on a return to democracy.[5]

It has certainly been refreshing to see high-ranking officials acknowledge the need for change in American policy towards the Philippines. It should not be too much to hope that the days of the triumphant 1982 Marcos visit to Washington or the infamous George Bush toast in praise of Marcos's adherence to ''democratic principles and democratic processes'', are gone forever.

There are, however, limits to how far the United States can go in this process of change and mounting pressure on Marcos, and nothing shows this more clearly than the current confusion over how to respond to the fraudulent Marcos election. Herein lies the American dilemma. There are mounting political and economic pressures which should push the United States towards even greater change in its foreign policy. Yet, the importance of the U.S. military bases in the Philippines, the intrusion of the superpower conflict into Southeast Asia, and the fear of a growing communist movement in the Philippines all place limits on how far American foreign policy can change. The remainder of this paper is an examination of these growing pressures for change and why the ability of the United States to respond to these pressures is limited.

U.S. Military Bases in the Philippines

The long decades of colonization created complex relations between the Philippines and the United States. There was a high level of interaction in the cultural, economic, political, and military spheres.

Prior to World War II, there were years when fully 75 per cent of all Philippine trade was with the United States. The 1935 Philippine Constitution was largely modelled on that of the United States. Americans have been major investors in the Philippine economy both before and after independence. Recently, as many as 60,000 Filipinos have emigrated to the United States every year. Thus, ''special relations'' bind the two countries together.

Since the declaration of martial law in the Philippines in 1972, however, there has been a definite weakening of the ''special relations''. The 1935 Constitution has been replaced by a new one, ratified by a show of hands in public

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meetings during 1973. It institutes a parliamentary form of government. Philippine trading relationships have been diversified and the United States no longer takes a majority of Philippine exports nor provides most of its imports. Diplomatic relations have been opened with the Soviet Union and the People's Republic of China and this has led to increased interaction and trade with the socialist countries in general. In recent years, Japan has often been the leading foreign investor.[6]

Just as the Philippines has diversified its trade, investment, and diplomatic relations, the United States has diversified its interests in Asia. It is now more interested in Indonesian oil and manufactured goods from Singapore and Hong Kong than it is in coconut oil and sugar from the Philippines. The Philippines has failed to grow or industrialize as rapidly as its neighbours and as a consequence American investors and traders have begun turning elsewhere in the region.

A little noticed side effect of this decline in the "special relations" is that the importance of military ties has grown relatively greater. This trend has been reinforced by Asian and American concern over growing Soviet access to Vietnamese military bases in Da Nang and Cam Ranh Bay.

There is no doubt that American use of Subic Naval Base and Clark Air Base was important during the Vietnam War era. In retrospect, though, it is not surprising that the bases, and as a consequence, the military aspect of U.S.-Philippine relations, have grown more important since the end of that war.[7]

One analysis has suggested that the United States has at least four military objectives in the Western Pacific:

> First, to support U.S. bilateral and multilateral defense commitments with countries in Southeast and Northeast Asia, Australia, and New Zealand. Second, to protect the sea lines of communication and trade routes which pass through the strategic waterways of Southeast Asia that are of major importance to the U.S. and Japan. Third, to support the American presence in the Indian Ocean and Persian Gulf region, particularly Diego Garcia. Fourth, to counter the increasing Soviet military presence in Southeast Asia.[8]

Those who agree with this statement of U.S. military objectives in the region usually then go on to argue that the military bases in the Philippines are the most effective, the most convenient, and the cheapest way of meeting those objectives.[9]

The Enhanced Importance of the Bases

After the fall of South Vietnam, a pressing foreign policy requirement for the Ford Administration was to show that the United States intended to remain a power in the Western Parific. President Ford used a visit to Asia to reaffirm the nation's will and commitment to the region. It was during this Asian visit in December 1975 that Gerald Ford and Ferdinand Marcos issued a joint communiqué in which they

> considered that the treaty of August 30, 1951 [Mutual Defense Treaty Between

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the Republic of the Philippines and the United States of America] enhanced the defense of both countries, strengthened the security of the Pacific region, and contributed to the maintenance of world peace. They agreed that the military bases used by the U.S. in the Philippines remain important in maintaining an effective United States presence in the Western Pacific in support of these mutual objectives.[10]

Even Jimmy Carter, who placed marginally greater emphasis on concern for the protection of human rights in the Philippines, sent Walter Mondale to Manila in May 1978. This forcefully demonstrated to the Filipino public (given the complete government control of the print and broadcast media) that Marcos still had the backing of Washington.

It was also under President Carter that a five-year agreement amending the original 1947 Military Bases Agreement was negotiated. In lobbying to get the compensation package proposed in the agreement through Congress, Carter argued that the bases facilities in the Philippines had "an importance which is not limited to the western Pacific but which extends, as events of recent days have demonstrated, to much wider areas of the Indian Ocean and the entire Middle East". He went on to say that "recent events in Southeast Asia, the Indian Ocean and the Middle East have raised doubts about the willingness of the United States to sustain support for its friends and to honor its obligations. I am determined to dispel such unwarranted doubts".[11]

As part of the 1979 agreement, the United States contributed to the Philippines (over a five-year period) US$50 million for military assistance, US$250 million for foreign military sales credits, and US$200 million for security-supporting assistance. This meant that while the overall security assistance programme for the whole of East Asia was declining, assistance to the Philippines was increasing.

With the election of Ronald Reagan, public (and probably private) expressions of concern about human rights violations in the Philippines initially declined. During its first few years the Reagan Administration warmly embraced President Marcos. In June 1981 the then Secretary of State Alexander Haig travelled to Manila, and in June, Vice-President George Bush was in Manila representing the United States at the inauguration of Marcos after his re-election (with only token opposition) as President. Then in April 1982, Secretary of Defence Caspar Weinberger was in the Philippines and toured both Clark Air Base and Subic Naval Base.

These visits were capped by the grandiose Marcos visit to Washington. His reception in the White House by Reagan, which was reported on every Philippine television station and in daily front-page stories in the newspapers, banished any doubts that remained about the strength of U.S. support for Marcos. The stream of high-level visitors to Manila, plus the Marcos visit to the United States in September 1982, established a record of public support perhaps unequalled anywhere else in the world.

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American support for Marcos and reaffirmations of the importance of American bases in the Philippines have been, in large part, a reflection of growing concern in Washington over Soviet access to Vietnamese military facilities.[12] Increased Soviet access to Vietnamese military facilities in turn is linked to the Soviet-Vietnamese Friendship Treaty signed in 1978 and the Vietnamese fear of further Chinese military harassment. The United States, by co-ordinating its own policies in Southeast Asia with those of the Association of Southeast Asian Nations (ASEAN) and the People's Republic of China (PRC), has helped to isolate Vietnam and increase its dependence on the Soviet Union.[13] The two most serious flare-ups in the Sino-Vietnamese dispute took place just after Deng Xiaoping's January 1979 trip to the United States and during President Reagan's May 1984 trip to China. There are some in Southeast Asia who believe this implicit co-ordination between China and the United States only heightens Vietnamese belligerence and draws the superpowers into the region. The Indonesians, in particular, have wanted to pursue a more even-handed set of policies in the region. Indonesia's Foreign Minister Mochtar Kusumaatmadja has tried to persuade Vietnam that its economic, political and security interests are best served by reaching a compromise and ending its military occupation of Kampuchea and making peace with the ASEAN states. The end of the conflict in Kampuchea will allow Vietnam to rebuild its economy and to strengthen itself against any threat from China. Mochtar has gone on to argue that Indonesia is promoting an essentially Western strategy on Kampuchea that would benefit the long-term interests of the United States, but finds the latter in Beijing's corner. The Indonesians see this as American preoccupation with combatting the Soviet Union.[14] This perceived preoccupation and America's growing links with China have an effect on Soviet-Vietnamese relations and this, in turn, has an effect on the apparent importance of U.S. bases in the Philippines. It is noteworthy that the Soviet Pacific Fleet was granted access to Cam Ranh Bay after the Chinese attempt to "teach the Vietnamese a lesson" in February-March 1979. American support for China's position on Kampuchea, and Southeast Asia in general, has tightened Vietnam's relations with the Soviet Union. Vietnamese fears of Chinese and American hostility have led it to form an alliance which gives the Soviets increased access to Vietnamese bases. Growing Soviet influence in Southeast Asia, in turn, increases the importance of the U.S bases in the Philippines. Clearly, the insistence of the Reagan Administration on interpreting events in Southeast Asia as part of a larger global struggle with the Soviet Union limits the ability of the United States to distance itself from Marcos and lessen its dependence on the U.S. bases in the Philippines.

The Political Effect of Military Aid

The increased geopolitical importance of the bases is viewed by many as sufficient justification for giving military aid to a repressive government. Unfortunately, this military aid exacts a high cost in the Philippines.

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In March 1979, in a testimony before the Subcommittee on Asian and Pacific Affairs in the House of Representatives, Assistant Secretary of State for East Asia and Pacific Affairs, Richard Holbrooke, was asked "Does our economic and military assistance help President Marcos undertake further repression?" His answer was "definitely not".[15] Despite Holbrooke's answer, the evidence is clear and convincing that American economic and military assistance does help President Marcos undertake further repression. During the period 1946–81 the United States provided the Philippines with over US$1 billion in military assistance and over US$3 billion in total economic and military assistance.[16] Levels of assistance continue to increase. For the aid package tied to the 1979 Military Bases Agreement, the United States contributed US$500 million, spread over the 1979–84 period. The next five-year agreement covering the 1984–89 period increases security assistance to US$900 million. This will be made up of three parts — US$475 million in economic support funds which will go towards improving conditions in the areas surrounding the bases and enhancing base security, US$300 million for foreign military sales credits, and US$125 million in military assistance.[17] If spread evenly over the five years, it means US$180 million in aid per year.

As part of the military assistance package, the United States has been donating or selling to the Philippines many kinds of military hardware which have dual capabilities — they could be used for external defence or in combating internal opposition. Under the Foreign Military Sales Program, sales have included aircraft, armoured personnel carriers, howitzers, and ammunition. Under the Military Assistance Grant Aid Program, deliveries have included helicopters, patrol boats, trucks, rifles and ammunition.[18] The dual capability of this kind of hardware is obvious and has become increasingly important as the internal opposition grows stronger. In 1976, President Marcos said that "Asian nations, including the Philippines, will always be facing the danger of subversion. The principal threat, however, is internal not external".[19] More recently, Minister of Defence Juan Ponce Enrile said "the communist New People's Army (NPA) is the only security threat to the Philippines at present . . .".[20]

The shipping of military hardware with dual capabilities to the Philippines in furtherance of U.S. use of Philippine bases is a deeply troubling proposition. The problems arise from a number of interrelated factors. Briefly stated, the growing economic crisis coupled with a decline in the political legitimacy of the Marcos government since the declaration of martial law have led people to seek political change. The lack of civil liberties has made it very difficult for the urban, élite opposition to pursue peaceful change. The urban workers' movement has been manipulated or repressed, thus limiting their political participation and reducing their absolute standard of living. In the countryside, especially in the less accessible areas, the communist-led NPA (New People's Army) has gone about patiently building a base from which it can make revolutionary change.

In the minds of all these groups trying to achieve political change — and facing repression from the Marcos government — the U.S. role in providing the

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tools of repression is clear and readily apparent every day. They know that most of the communication equipment and arms and ammunition used by the military and the Philippine Constabulary come from the United States. They know that many police and military officers involved in torture and the forcible disruption of legitimate political demonstrations were trained by the United States. The most common slogan of demonstrators remains "Down with the U.S.-Marcos Dictatorship". It is clear in their minds that without U.S. support, the Marcos government would quickly fall. This is, in large part, the reason why the U.S. House of Representatives Committee on Foreign Affairs decided to shift most of the proposed military aid for FY (fiscal year) 1985 to economic aid. During 1985, Representative Stephen Solarz, chairman of the House Subcommittee on Asian and Pacific Affairs, led the fight to again shift most of the proposed military aid for the Philippines in the FY 1986 budget to economic aid.[21]

Opposition to Marcos

During the martial law years, military battles were not reported in the Philippine media, and interested citizens had to listen to rumours of returning helicopters and aircraft laden with the bodies of casualties. Today, newspaper reporting is somewhat more open. As part of a government campaign to raise public awareness and fan anti-communist sentiment, there are almost daily accounts of military encounters with the NPA. Many of these accounts suggest that the Communist Party of the Philippines has some level of influence in about 20 per cent of the nation's villages. Fidel Ramos, Chief of the Philippine Constabulary, is reported to have said that there were 763 military casualties during the first nine months of 1984, an increase of 20 per cent over the same period in 1983.[22] The November 1985 Staff Report to the Senate Select Committee on Intelligence of the U.S. Senate said that "in the 2 years since the Aquino assassination, the NPA has expanded so rapidly that it now poses a credible threat to the survival of the Philippine Government. From a total force of a few thousand armed guerrillas in 1980, the NPA has grown to probably over 15,000 regulars and a somewhat larger number of part-time irregulars. These forces are fighting on as many as 60 fronts around the country, including occasional company level (200–300 men) operations. Some level of NPA activity now exists in all of the country's 73 provinces.[23]

The rural insurgency is growing and it is mirrored by rising urban opposition as well. Urban opposition comes from a variety of social sectors on the political spectrum. Space precludes a thorough analysis of all facets of this opposition.[24] It is possible, however, to suggest that the opposition is broadening its social composition and becoming bolder.

A few examples may suffice to show this growing polarization of Philippine society. One of the most important components of the Philippine political equation is the Catholic Church.[25] At the annual conference of the Catholic bishops in the Philippines held in January 1983, all 92 present (out of a total of 102 bishops) agreed unanimously to prepare a pastoral letter. Their primary concern

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was the arrest of priests, sisters, and lay workers. They went on to say, however, that

> important as it may be, this issue of arrest and detention is merely one of the many symptoms of deeper issues that touch closely both government and Church. These are issues of poverty and development, and the issue of dissent from unjust laws and the policies and practices of government.

The bishops were critical of the government's developmental priorities, of economic corruption in the areas of public administration and private business, and said

> there are many aspects of the current political system that invite the dissent of the ordinary citizen. For one, the injustices and corruption we noted above in the developmental policies and programs of the government; for another, the increasing militarization of the country, either for national security purposes or for enforcing socio-economic projects which sometimes are questionable and doubtful as to their wisdom.

The bishops also stated quite clearly, "We take a preferential option for the poor".[26] Following the 1986 elections, the bishops were driven to an even more forceful condemnation of the Marcos government. They said, "According to moral principles, a government that assumes or retains power through fraudulent means has no moral basis. For such an access to power is tantamount to a forcible seizure and cannot command the allegiance of the citizenry." The bishops went on to explicitly endorse peaceful action to make political change possible; they said, "The way indicated to us now is the way of non-violent struggle for justice."[27]

The Makati Business Club, a 400-member grouping of the Philippine business élite, has also spoken out against growing inequalities. In a four-page paper outlining policy suggestions, the Club pointed out that development

> has not been able to provide many Filipinos with sufficient levels of income and services to maintain human dignity. This situation of want has for many grown to unbearable proportions with the onset of world recession and has driven an alarming number to lawlessness and desperation. The increasing number of *barangays* influenced in varying degrees by the NPA is clear evidence of this trend.[28]

It is this same conservative business leadership and the middle-class, white-collar workers in these businesses who organized and participated in the Metro Manila rallies which became commonplace between the Aquino assassination and the May 1984 elections. These were the people who went on to vote for the opposition candidates who scored surprisingly well. And while the division lines are not always clear-cut, the business leadership and middle class generally did not boycott the elections. The boycott movement was centred on labour and student

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groups, many of the intellectuals, and the rural population in areas influenced by the NPA. These same groups (the Makati Business Club and associated Chambers of Commerce) gave Mrs Aquino a vastly warmer reception during the 1986 campaign than they gave to President Marcos.[29]

The Reagan Administration seemed pleased with the outcome of the 1984 election — the boycott movement was not as strong as had been expected, and enough opposition candidates won seats in the Parliament to provide a facade of democracy to an otherwise unsavoury regime.[30]

However, reality should have dictated not pleasure with the outcome of the election, but rather anxiety about the future. The Reagan Administration completely misread the results of the 1984 parliamentary elections. It was highly unlikely that the opposition could affect the Marcos government in any way that would have helped solve the problems highlighted by the Church and the Makati Business Club — poverty, inequality, economic mismanagement, corruption, and militarization.

The Makati Business Club's analysis pointed to the failure to provide many Filipinos with sufficient levels of income and services to maintain human dignity and said that this had driven an alarming number to lawlessness and desperation. The existence of 60 or even more members of the "opposition" in the Parliament could not solve these problems since their economic prescriptions differed but little from those of Marcos. On top of this, the freedom to change economic development policy in the Philippines has consistently been constrained by stabilization agreements with the International Monetary Fund (IMF). The most recent agreement commits the Philippine Government to float the peso, reduce the growth in the money supply, cut the budget, increase tax levels, reduce trade barriers, and lift domestic price ceilings. Every serious economic analysis concludes that the Philippines will suffer several years of slow growth and extreme austerity.[31]

If the United States pins its hopes for democratic change and continued access to the military facilities on the emerging élite opposition and the faithful pursuit of an IMF model of development, then the limits to American policy are clear. The continuing economic crisis will require depoliticization and strict repressive measures to avoid chaos. The election of Mrs Aquino could have changed this reality but little.

Economic Crisis and Political Repression

The debt crisis and the need to turn repeatedly to the IMF for guidance and loans is reflective of the extraordinary weakness of the Philippine economy. The Philippines has consistently been among the slowest growing nations of Asia, and has been especially hard hit by oil price increases and the recession of the 1980s. In 1982, the Philippines reported a record budget deficit, trade deficit and current account deficit and a record overall balance of payments deficit of US$1.1 billion. The year 1983 ended with a balance of payments deficit of about 3 billion dollars.[32]

The negative trade balances have been covered by borrowing. During the

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period 1972–80, borrowing accounted for an average of 30.9 per cent of total government revenues. In this same period, domestic public debt grew at 20 per cent per year and foreign public debt grew at 27.65 per cent per year.[33] Levels of borrowing have increased since 1980, and growing trade imbalances and debts have led to a series of devaluations. From an exchange rate of about eight pesos to one U.S. dollar, the peso was officially devalued to 11 pesos to one U.S. dollar in June 1983. Then on 5 October 1983, the peso was further devalued to 14 pesos to one U.S. dollar, resulting in an overall depreciation of about 34 per cent. In June 1984, the peso was again devalued to about 18 pesos to one U.S. dollar, a further depreciation of a little over 20 per cent.[34]

The economic and political costs of the huge debts and the economic strictures of the IMF are severe. The costs have increased as the Philippines slips ever closer to chaos. In the annual *Euromoney* country risk rating, the Philippines has dropped to the 76th position, between Lebanon and Angola.[35] The inflation rate following the 1983 devaluations was about 25 per cent by December. During 1984 the rate of inflation accelerated from 37 per cent in February to 65 per cent by the end of the year.

Inflation, lack of credit, and a shrinking domestic market have forced many companies to close or pull out of the Philippines. For example, both Ford Motor Company and Toyota Motor Campany, large investors and employers, have decided to withdraw from the Philippines.[36] These closures and others have meant that more than 100,000 people have lost their jobs during the 1984–85 recession. These massive new lay-offs only reinforce the findings of a nation-wide poll conducted by the Development Academy of the Philippines and commissioned by the Bishop's-Businessmen's Conference. The poll found that the unemployment rate throughout the Philippines was about 23 per cent. It also found that 51 per cent of the people polled thought the quality of their lives had deteriorated, compared to a year earlier. Only 12 per cent said their lives had improved.[37]

Conditions for the lower and middle-class Filipinos are getting worse and reversing the trend is going to take years. For the United States and for the political future of the Philippines, the most serious problem is, probably, the continued, large-scale generation of poverty under the model of development pursued by the Marcos administration. The poverty problem is worsened by the extreme disparities in the distribution of wealth and income.

In 1979, the World Bank prepared a confidential 392-page report on poverty in the Philippines. It documents a sharp decline in real wages since the 1960s and says that purchasing power has dropped "in both urban and rural areas, in all regions, and practically all occupations".[38] The report found that real wages for skilled labourers in Manila and its suburbs dropped 23.8 per cent between 1972 and 1978. The plunge was even more precipitous, 31.6 per cent, for unskilled labourers. In other World Bank documents, it has been observed that the rich-poor gap is "worse in the Philippines than elsewhere in the [Southeast Asian] region, and is exceeded only in Latin America".[39] And the Center for Research and Communication, a business-supported study group in the Philippines, reports that

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median family income, adjusted for inflation, was lower in 1982 than in 1961.[40] Another study by the Center showed that in the midst of all this poverty, the wealthiest 10 per cent of all families earned 45 per cent of the national income in 1981, an increase from less than 30 per cent in 1971. The poorest 70 per cent, on the other hand, earned just 31 per cent of the national income in 1981, compared with 48 per cent a decade earlier.[41]

Thus, the Philippine development model — which is dependent on foreign investment, ever more "technically" and "rationally" managed by the World Bank and the IMF, and geared to belatedly following in the path of South Korea and Taiwan — has generated a large number of poverty-stricken families. One estimate is that "by any measure, at least 45 per cent of all households in the Philippines, [or] 3.5 million families, are poor".[42] Most of the urban workers trying to live on their daily wages live in poverty, as do a majority of the landless labourers, upland farmers, and subsistence fishermen.

The Catholic bishops in their pastoral letter observed that "poverty is the economic condition of life in which the vast majority of our people live. Notwithstanding attempts at alleviation, it continues to grow more deeply. The structures built into the social system are at the root of this recalcitrance to change for the better".

Vicente Paterno, former Minister of Industry and a member of the Makati Business Club, argues that "the security problem is directly linked with rural poverty. It is caused by a perceived lack of responsiveness and concern of the government to [rural] problems".[43]

The failure of development in the Philippines, the growing poverty, and the realization by Filipinos that the quality of their lives is declining leads to frustration. This frustration forces them to take political action, which is manifested in a wide variety of forms. Those who benefit from the maintenance of the status quo would like to see political action limited to periodic stage-managed elections. But given the fact that elections are unlikely to have much effect on the day-to-day problems of the average Filipino, many have chosen alternative forms of participation. They strike, demonstrate, agitate for true land reform, seek rent reductions, enforcement of minimum wage laws, academic reforms, the extension of government services to slums and rural areas, and the respect of human rights.

There are, of course, a variety of costs involved for those who choose to participate politically. For example, when the *Kilusang Mayo Uno* (KMU) or May First Movement, an umbrella organization of labour unions, threatened to create a unified labour sector capable of forcing up wages, it was attacked. In August 1982, the Philippine Constabulary raided the KMU offices and the homes of affiliated labour leaders, and the leadership was charged with inciting rebellion.[44]

When a small, eight-page tabloid known as the *WE-Forum* printed hard-hitting articles attacking the Marcos administration, the entire staff was arrested by a "presidential commitment order" on charges of subversion for involvement in the conspiracy to overthrow the government through black propaganda, agitation, and advocacy of violence.[45]

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When opposition political parties tried to organize grass-roots support so that they could become something more than token candidates to validate Marcos's election they became a threat. Over 100 people were killed during the 1986 elections. A notable example was Evelio Javier, leader of the Aquino campaign in the province of Antique. Within days after the election he was chased across the town square of San Jose de Buenavista, shot repeatedly, and killed. The masked men were allegedly linked to a close political associate of the President, Arturo Pacificador, majority leader of the National Assembly.[46] Opposition figures say that Javier was the most famous of the many victims of a widespread campaign to eliminate or intimidate the provincial leadership of the Aquino campaign organization.

When villagers in the countryside begin supporting the NPA they become enemies of the military. As such, they are in for ruthless treatment. Most notably, a programme of hamletting has been pursued by the military. It is estimated that half a million rural inhabitants have been re-grouped in strategic hamlets without sanitation and adequate medical care and far from their fields.[47]

The real tragedy, however, is the freedom of the military, almost unchecked by any civilian authorities, to enforce order in the city and countryside. A recent report compiled by a thirteen-member fact-finding mission organized by major human rights oriented groups in the Philippines documents the rising human toll from military repression. In 1983, 145 people disappeared, an increase of 245 per cent over the number in 1982. There were 368 extra-judicial killings, a 75 per cent increase over the 210 killed in 1982. Figures for 1984 show another big jump in the number of extra-judicial killings for that year. The documentation that the Church and human rights organizations have compiled shows clearly that the number of cases of "salvaging" (extra-judicial executions), massacre, disappearance, and torture is increasing consistently year after year.[48] And these are certainly not just isolated cases. It has been estimated that from 1972 to 1980 some 60,000 people lost their lives in the Philippines due to violence. Thirty thousand of these victims were civilians, not involved in battlefield activities.[49]

Besides poverty, there are those who argue that military abuses are the main reason for the popularity of the NPA. Bishop Claver of Mindanao told a new army commander in his region that "the biggest factor that makes the communists viable are your abuses, the way the military steals from the people, robs them, kills them, tortures them".[50]

In 1972, the Armed Forces of the Philippines had 58,000 men and a budget of US$82 million. Today, the budget is ten times that amount and the Armed Forces include about 200,000 men, apart from about 80,000 village-level Civilian Home Defense Forces, thousands of security guards, and irregular armed units with loose ties to the military.[51]

The role of the military has grown dramatically since the declaration of martial law. Militarization of society has been the government's response to growing levels of poverty, frustration, and political participation. Mass politics has been, and will continue to be met by military force. More and more people seem

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convinced that violence is either necessary or inevitable. Those who were hopeful that the 1984 and 1986 elections would represent a step towards democratic, peaceful change are ignoring the magnitude of the social and economic problems of the Philippines. People who feel the need for structural changes in Philippine society and politics believe that violence is almost inevitable as long as Marcos, the military and the international institutions supporting Marcos refuse to allow peaceful change.

Conclusions

Mounting pressure in the Philippines for social and economic change, especially the widespread outrage over the theft of the presidency in the 1986 elections, should force the United States to change its policies toward the country. Levels of poverty, inequality, injustice, and insurgency have risen sharply under Marcos. Militarization and repression have also risen as Marcos attempts to control the levels and nature of political participation.

For many, the United States is viewed as part of the problem and a willing partner in the political repression. It has achieved this notoriety because of its (now somewhat weakened) support for Marcos, its sale and gifts of military hardware, its dominant role in the World Bank and International Monetary Fund, its commitment of U.S. troops for civic action programmes[52], and by the actions of U.S.-based multinational corporations. At a time during 1984 when the Marcos government was at its weakest because of the debt moratorium and the protracted negotiations over an IMF agreement, the United States could have used its leverage to extract commitments for democratization and a reduction in military repression. Instead, it accelerated the disbursement of the US$50 million Economic Support Fund for fiscal year 1984. To finance agricultural trade, the Department of Agriculture provided a US$225 million credit. The Export-Import Bank granted US$200 million in insurance guarantees for agricultural sales and a US$500 million bank-to-bank guarantee programme to ensure credit for trade in industrial commodities. These, plus a World Bank structural adjustment loan, were crucial in sustaining the Marcos government's control over Philippine society during a time of crisis.[53]

Given the nature of U.S. foreign policy under Ronald Reagan, however, the parameters within which American policy towards the Philippines may change are very narrow. Firstly, the access to U.S. military facilities must be maintained. As Reagan said in his 11 February 1986 press conference, "One cannot minimize the importance of those [Philippine] bases. . . . I don't know of any that's more important than the bases on the Philippines."[54] In the estimation of Ronald Reagan (if not his State Department or important members of Congress) fraudulent elections must not stand in the way of continued access to the bases.

This pressure to keep the U.S. bases in the Philippines is in large part because the United States has mismanaged its relations with Southeast Asia and finds itself once again trying to contain Soviet influence, rather than building

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friendly relations with all the nations of the region. Reducing Soviet access to Vietnamese military facilities is more likely if the United States could take steps towards healing the wounds of the past and reaching constructive accommodations with the Vietnamese. This may alarm the Chinese, but they would have to be convinced as well, that it is in their national interest to remove Southeast Asia from the arena of superpower conflict.

If superpower tensions can be reduced, then the U.S. dependence on the bases in the Philippines can also be reduced. This will allow for, if not a complete pull-out, at least a decrease in the U.S. military role in the Philippines. If an American military presence in the region is as important as most of the United States' friends there say it is, then a diversification of the location of the facilities should be possible, even though it would be costly.

And there are those, such as Ambassador Sullivan, who argue it would be too costly to build or use other military facilities in the region. These people are, in a sense, penny wise and pound foolish. It would certainly be costly to duplicate bases such as Subic Naval Base and Clark Air Base elsewhere, but the surest way to lose these bases is to continue to support repressive leaders who can (it is claimed) guarantee American access to the bases.

A second parameter limiting U.S. foreign policy towards the Philippines, at least currently, is the ideological commitment to anti-communism. The growing strength of the NPA can, I think, be largely attributed to poverty and military repression. There is much sentiment in Washington, however, that curbing the military, supporting the opposition to Marcos, and encouraging a redistribution of resources is not the way to heal the divisions within Philippine society. This school of thought tends to agree with what Ronald Reagan said in the final presidential debate of the 1984 campaign in response to a question about the Philippines — [that the United States would be] "better off trying to retain our friendship and help them right the wrongs that we see, rather than throwing them to the wolves and then facing a communist power across the Pacific".

This view narrows the choices to either support for Marcos or acquiescence in his overthrow by the communists. Once the options are thus narrowed, many argue that the proper role for the United States is to come to the aid of a long-standing, anti-communist ally. The foreign policy prescription, then, is support for Marcos and increased aid to the military to enhance their ability to defeat the communists on the battlefield.[55]

If this school of thought predominates in Washington, then even a military coup would not be viewed as necessarily bad. Likewise, (and this is an even more disheartening possibility) it may serve as just the signal that elements within the military in favour of a coup could use to justify a take-over.

It is clear that a debate has been taking place in Washington over the appropriate direction for American foreign policy towards the Philippines. It is a three-cornered debate among the Departments of Defense, State and Treasury, with the White House making the final decisions.[56] But, given the limits within which American policy must remain — maintenance of the U.S. military bases in

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the Philippines and rigid anti-communism in the region and in the Philippines — there are few options available. Firstly, the United States supported the efforts to hold elections for Parliament in May 1984 and pressured Marcos to hold early presidential elections. However, elections as a strategy to generate reform have obviously failed. Up to the 1986 elections and even in the face of failure by Marcos to reform, a second requirement of U.S. policy has been continued U.S. military and economic aid to the Marcos government. As a part of the campaign to get the U.S. Congress to agree to increased aid during 1985, Assistant Secretary of State, Paul Wolfowitz, presented the optimistic overview that "[T]he past year has seen important progress toward the revitalization of political institutions in the Philippines:

— the independent Agrava Board carried out an independent investigation of the tragic Aquino assassination, and 25 military personnel, including the Armed Forces Chief of Staff, are now on trial for the crime;

— presidential succession rules have been redefined;

— there is broad press freedom;

— a vigorously contested parliamentary election last May produced a strong and active Assembly and renewed opposition political activity."

This was in support of a request by the Reagan Administration for total aid to the Philippines amounting to US$275.25 million for fiscal year 1986. This total consists of US$50 million for the Military Assistance Programme (MAP), US$50 million for Foreign Military Sales credits (FMS), US$2.25 million for International Military Education and Training (IMET), US$95 million for the Economic Support Fund, US$36 million for Development Assistance, US$7 million in PL 480 Title II assistance, and US$35 million in a new programme of PL 480 Title I assistance. It is this request that the House of Representatives' Foreign Affairs Subcommittee has amended, reducing military assistance to US$25 million and adding US$60 million to economic assistance. The Reagan Administration, at least in 1985, seemed determined to increase U.S. economic and military aid to Marcos. This, they argued, would allow the Marcos government to survive the economic crisis and increase the military's ability to carry out its campaigns against the NPA. At the same time, it was hoped that U.S. pressure would result in free and fair elections which would bring the moderates of the Philippines back into the political mainstream, into a less confrontational relationship with the United States, and into a process of gradual political change. Congress had much the same goal in mind, but clearly believed that increasing military aid at that point would send the wrong signal to the Marcos government and to the Philippine military.

Yet, as I have argued, the more serious problems in the Philippines are created by economic inequality, declining living standards for the poor and the middle class, military repression, and a lack of opportunities for political participation leading to meaningful change. Periodic elections and marginally increased U.S. aid are highly unlikely to change these conditions, especially when the United States remains committed to the prescriptions for economic recovery offered by the IMF, remains ideologically committed to anti-communism, and remains tied to the U.S. military bases in the Philippines.

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During 1986, the United States has the choice of following the intellectual predispositions of Ronald Reagan — that is, once again embracing the Marcos government and overlooking his repression, election fraud, and corruption in the name of anti-communism and continued access to military facilities — or alternatively, seek out innovative policies which would break the nation's ties with the illegitimate Marcos government.

I would argue that the proper role for the United States should be to support a return to democracy, respect for human rights, and development models which alleviate, not exacerbate the exceptionally high levels of poverty and unemployment. The U.S. policy should be clear and consistent. Every signal should be in favour of democracy and reform. Every signal should make it clear that the United States is opposed to military intervention in politics and that the key to ending unrest is not further repression and militarization. Support for these principles will be expensive. At some point in time, the U.S. bases will have to be removed from the Philippines. In the long run, the rewards for the vast majority of Filipinos and Americans will be well worth the cost of standing up for principles today.

Postscript

In the waning days of the Marcos government, the United States did withdraw its support for Marcos and it did play a limited, but crucial role in the transition to the new Aquino government. However, it took these actions only when events and political forces in the Philippines made it imperative to move.

Thus, American policy remained clearly within the two main parameters identified before — that is, protection of access to the military bases in the Philippines and vigorous military prosecution of the campaign against the armed insurgents of the New People's Army. What changed was not U.S. policy, but rather the assessment that Marcos had become a threat to and not an asset for U.S. foreign policy goals in the Philippines. It will be interesting to watch over the next months and years how rapidly Philippine national interests, as defined by the Aquino administration, diverge from U.S. national interests as defined in Washington. The U.S. bases and how to solve the economic and political problems which generated the insurgency are two areas where tensions in U.S.–Philippine relations are potentially serious. There is no clear evidence yet that the Reagan Administration is willing to redefine national interests in such a way that the United States can be more supportive of the fundamental economic and political changes that are necessary in the Philippines if democracy is to flourish.

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*This is the revised version of a paper first presented at the 1984 Southeast Asian Studies Conference, Ann Arbor, Michigan, 2–4 August 1984. This paper was submitted for publication in *Contemporary Southeast Asia* before the Marcos administration was ousted in late February 1986. However, the

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Editors feel that Dr. Hawes' paper still has considerable reference, in helping to explain why the United States changed sides at the last minute to support the democratic opposition to Marcos.

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3. *New York Times*, 26 June 1983, p. 1. William Sullivan, U.S. Ambassador to the Philippines from 1973 to 1977, has argued in his recent article, "Living Without Marcos", *Foreign Policy*, no. 53 (Winter 1983–84): 150–56, for an active U.S. foreign policy which would lead to elections and avoid the diplomatic setbacks the U.S. suffered in Nicaragua and Iran.
4. *Business Day*, 9 May 1984, p. 11.
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10. Ferdinand Marcos, *In Search of Alternatives: the Third World in an Age of Crisis* (Philippines: National Media Production Center, n.d.), Appendix one, p. 180.
11. Text of a letter from President Carter to Representative Lester L. Wolff, Chairman, Subcommittee on Asian and Pacific Affairs, 21 March 1979; reprinted in *Foreign Assistance Legislation for Fiscal Years 1980–81*, part iv. Hearings and mark-up before the Subcommittee on Asian and Pacific Affairs of the Committee on Foreign Affairs, House of Representatives, 96th Congress, First Session, p. 65.
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Present and Future Maritime Security Issues in the Southeast Asian and South China Seas*

ROBERT RAU

Introduction

The question of maritime security in the Southeast Asian and South China Seas is of increasing importance. The re-emergence of the politics of "national interest" may be found upon observing the activities of the littoral states of the South China Sea as well as the United States, the Soviet Union, and Japan. The assertion of 200-mile territorial claims by the regional states, the archipelagic concepts of Indonesia and the Philippines, and the continuing debate over the Convention on the Law of the Sea are all manifestations of national interests as well as attempts to find structural solutions to these conflicts. The maritime areas of Southeast Asia, including the South China Sea, are of interest not only to academics but also economists, international lawyers and strategists. Major sea lines of communication are of major economic and security importance to all nations conducting trade in Asia across the major straits and the South China Sea. Natural resources, especially hydrocarbons, offshore minerals and fisheries are becoming increasingly important to the regional states. China, Japan and Indonesia will increasingly rely on fish as a major source of protein. Most regional states with 200-mile exclusive economic zones (see map) believe that oil and natural gas may be found in the continental shelf areas. Offshore minerals, especially tin, may be exploited by those states with proximity and know-how. Finally, these waters and adjacent islands are and have historically been points of political and strategic friction between the neighbouring states of the region.

In this paper, the following points will be discussed:

1. That natural resources to be found in maritime Southeast Asian waters, such as hydrocarbons, fish and offshore minerals, will be the focus of increased competition and friction in the future.
2. That the 1982 United Nations Convention on the Law of the Sea defined the issues but has, so far, failed to provide a satisfactory framework for the solution of all the competing "national interests" of the interested states.
3. That an "arms build-up" in the region is in progress, especially in naval-related missile-armed fast patrol craft, patrol aircraft, diesel submarines and amphibious shipping.
4. That Vietnam and China have, to date, shown less restraint in using force than the other states which have maritime claims in the region.
5. That negotiations have been held between Vietnam and Indonesia and Vietnam

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Southeast Asia: Strategic Straits and Maritime Claims.

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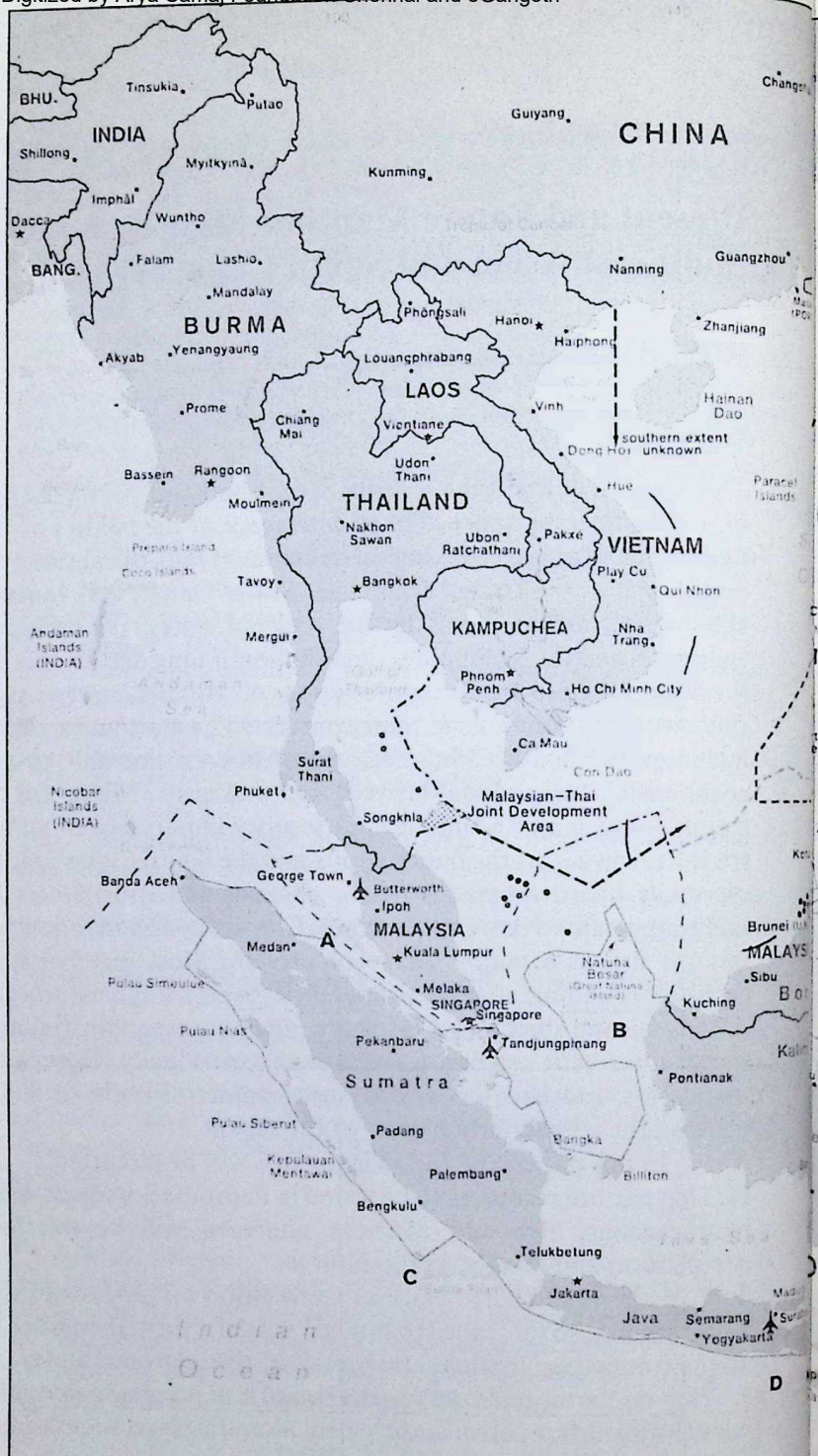

	A Strait of Malacca	B Singapore Strait	C Selat Sunda	D Selat Lombok	E Ombai Strait Wetar Strait
Length (n.m.)	200	70	50	65	260
Minimum channel width (n.m.)	<2.5	1.8	2.4	5.5	12.5
Governing depth (meters)	23	23	49	180	>500

Unclassified

SOURCE: U.S. Department of State.

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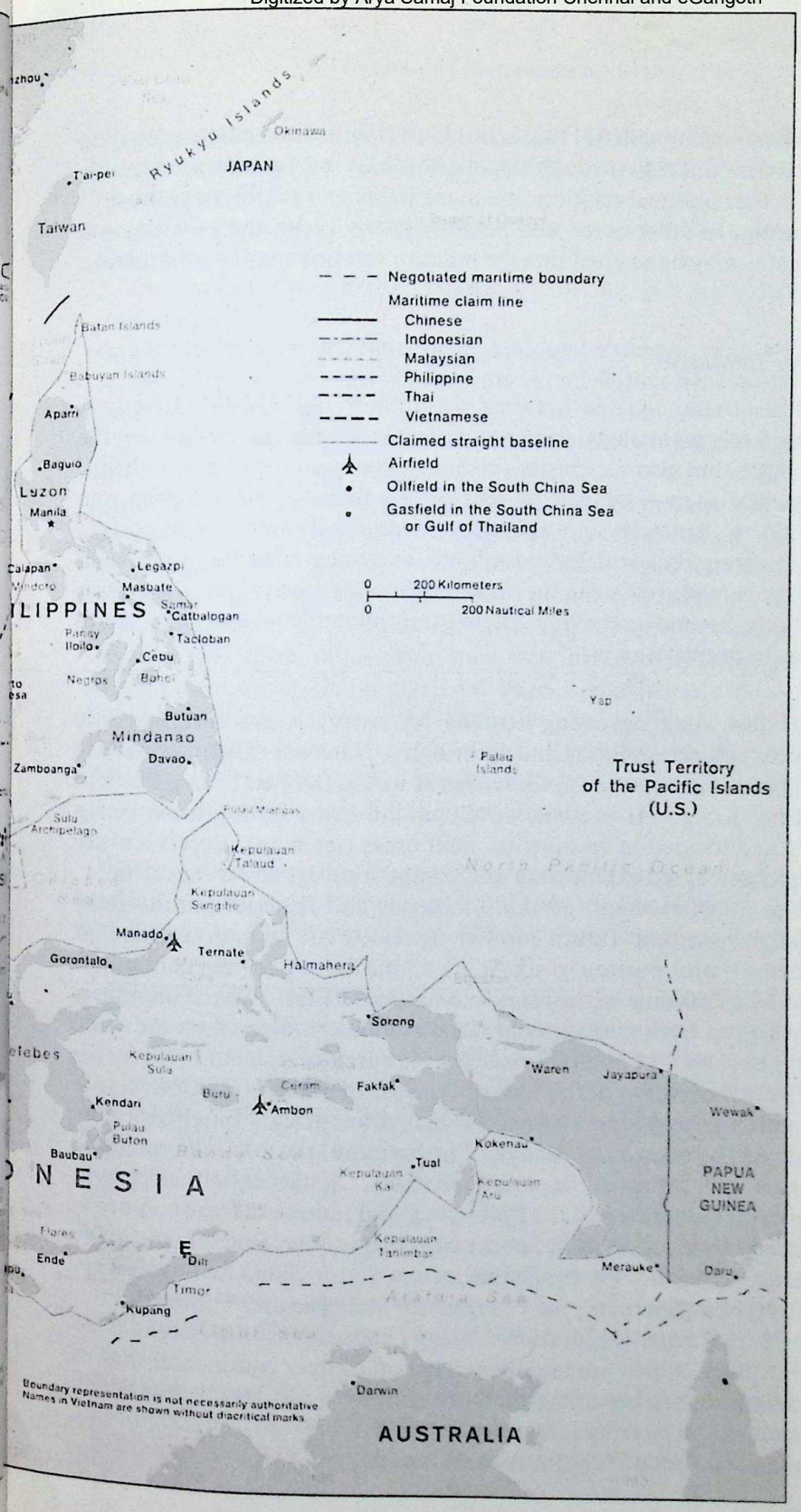

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and China as well as within ASEAN (Association of Southeast Asian Nations) on maritime boundaries. Success through negotiation may be found more readily within ASEAN in that political relations are more stable and parties have more to gain by co-operating. In other cases, and possibly in any event, the financial and nationalistic benefits may be so great that the military solution may be used instead of others.

Competition over Resources

Maritime Southeast Asia, located between the Indian and Pacific Oceans, is composed of island arcs and volcanic and non-volcanic islands. The geology of the area is highly complex but also very promising in terms of resources development.[1] Extensive continental shelves washed by seas of less than 200 metres deep join many of the islands to Australia and Asia. Continental shelf areas are important locations of sedimentary rock which yields oil, tin, and other minerals. Significant discoveries have been made to date in the oil and natural gas categories. Progress is being made in locating and extracting the existing minerals on the continental shelves as well as in deeper waters.

Oil and Natural Gas. Asia's growing demand for energy is generating greatly increased offshore exploration for oil and natural gas. China has expended massive effort in exploring for oil in the South China Sea as well as the Pearl River Basin to the north of Hong Kong.[2] At present, developed oil-fields in Southeast Asian waters are small and located in continental shelf areas (see map). Reservoirs are being depleted and increased exploration and competition are to be expected.

Oil, and to a lesser extent, offshore minerals and fisheries are the focal points of present disputes and future conflict. A review of the map reveals that China has claimed a major portion of the South China Sea. All of the contiguous states have claimed a 200-mile exclusive economic zone (EEZ). The Philippines, Vietnam, and Malaysia have made special claims to areas indicated on the map. Finally, the Philippine and Indonesian concept of the archipelagic state was incorporated in the 1982 Convention of the Law of the Sea. In general, the Convention provides that an archipelagic state (Article 47) may draw straight baselines to the outermost points of the outermost islands.[3] Furthermore, the 200-mile exclusive economic zone and other claims of the peripheral states, China's undefined general claim, and the archipelagic claims of the Philippines and Indonesia leave no uncontested or unclaimed maritime areas in Southeast Asian waters. Friction and some violence have occurred in the Spratly Islands of the South China Sea, which are jointly claimed by China, Vietnam, the Philippines, Malaysia and Taiwan.[4]

As pressure for greater exploration develops, those areas with potential for exploration and drilling, which are mainly located on or near continental shelves and disputed boundaries are becoming pressure points for disputes. Areas which are currently disputed and have hydrocarbon potential are:[5]

1. the Andaman Sea — (involving Burma and India),

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2. the eastern Gulf of Thailand (involving Vietnam, Thailand and Cambodia),
3. the southwestern Gulf of Thailand (involving Malaysia, Thailand and Vietnam),
4. the waters north of Natuna Island (involving Vietnam, Indonesia, Malaysia and China),
5. the waters offshore of Brunei (involving Brunei, Malaysia, China and Vietnam),
6. the Gulf of Tonkin (involving China and Vietnam), and
7. the dangerous ground north of the Spratlys (involving Malaysia, Vietnam, the Philippines and China).

An additional factor further complicating the politics and economics of this area is economic involvement of the United States and the USSR. The Standard Oil Company, Amoco, Exxon, Texaco and other companies have been granted concessions to explore in the South China Sea by China. The USSR has been actively involved with Vietnam in seeking to exploit oil and natural gas adjacent to the southern coast of Vietnam. In recent years, the Philippines, Malaysia, Indonesia and China have announced the discovery of new oil deposits.[6] The specific locations of these discoveries were not included in the announcements. It is probable, however, that protests will be registered in more than one case. Although falling oil prices have retarded wildcatting and drilling in Indonesia's waters, and cash restrictions have slowed Malaysian oil exploitation, future demand is assured. The regional nations' energy needs are graduallly rising and oil and natural gas are valuable national assets if left undeveloped.

Offshore Minerals. It is apparent that planning for the future is being undertaken by at least one of the region's maritime powers. Liu Huaqing, senior officer in the PLA navy of China, made the following observations in August 1984:

> There are abundant biological, mineral and energy resources in the ocean. The strategic resources in the sea are much richer than on land. The reserves of manganese, copper, cobalt, nickel and other metals contained in deep water manganese modules alone total more than 1 trillion tons which can be called the natural resources of the 21st century.[7]

He went on to say:

> . . . According to geologists' estimates, China's offshore deposits may amount to about 8 billion tons, forming one of the world's largest oil deposits; the deep water basin in the South China Sea has rich concentrations of manganese nodules; and there are over 1500 varieties of fish in Chinese waters. . . .

Offshore minerals, especially tin minerals, cassiterite, zircon, rutile, ilmenite, monazite and xenotime are likely to be found in volume on the broad shelf areas of Southeast Asia.[8] While there has been little public commentary or dispute to date

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over tin or manganese nodules, they and other minerals will play an important role in economic development in the twenty-first century.

Although the exploration for manganese nodules has been of limited duration and scope in Southeast Asian waters and the South China Sea, evidence is available that interest in exploration and purchase of necessary equipment are proceeding.[9] China is beginning a programme to explore for rare metals such as cobalt and nickel.

Many of the minerals believed to be located in the South China Sea and the adjacent waters can presently be purchased in the United States, USSR, and South Africa. But production and transport costs are increasing and regional states are reviewing the political, economic and strategic aspects of continued reliance on foreign sources.

Fisheries. The topic of fisheries is almost as prominent as that of the location and ownership of hydrocarbons in Southeast Asia. The fisheries issue is more difficult to address in many ways since fish do not respect political boundaries. John Marr suggests five outstanding features regarding fisheries:[10] 1) fish are of great dietary importance in the region; 2) the fisheries are of substantial economic importance; 3) fisheries are a way of life; 4) resource management-fishery management problems are largely unresolved and frequently not even identified; and 5) recent changes in the Law of the Sea, especially the establishment of 200-mile economic zones, with which governments are ill-prepared to cope.

The establishment of the 200-mile economic zones has created severe hardship for the fishermen of certain Southeast Asian nations.[11] The Thais, for example, have suffered the loss of some 115,000 square miles of traditional fishing grounds.[12] Most of the Thai fishing fleet has been forced back into the Gulf of Thailand which is already overfished.

Other problems evolving from the establishment of EEZs are the increasing battles between large and small fishermen. The fishermen with large trawlers and sophisticated rigs poach on the traditional grounds of the owners of older, less sophisticated boats. Furthermore, fishermen from Japan and Taiwan selectively vacuum the waters claimed by other states, selecting the high value fish and throwing away the rest. The recent purchase of numbers of fast patrol boats and surveillance aircraft by the ASEAN countries is in response to the need to patrol their 200-mile zones.

Choke Points: Sea Lines of Communications, the Straits, the Archipelagoes and Extended Jurisdiction

The question of the unilateral extension of maritime jurisdictions is gradually overloading regional mechanisms designed to avoid conflict. Political orientation and economic circumstance are important factors in the temptation to use force in order to establish or defend a maritime claim. Within the ASEAN community there are well-established, if not perfect, informal procedures for the settlement of

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disputes. The communist states of East and Southeast Asia are less predictable and have used naval power in the recent past to emphasize their claims to areas in the South China Sea.

Use of the straits and sea lines of communication throughout the region affect not only regional powers but also the international trading community. Closure, for any reason, of the Straits of Malacca and Singapore would severely damage the economies of Japan, Indonesia, South Korea, as well as other states. Major shipping routes of international importance use Indonesia's Sunda, Lombok, Makasar and Ombai-Wetar straits. The Philippines, which also has declared its archipelagic status, possesses international passages within its territory.

As briefly discussed earlier, the archipelagic state is empowered under the United Nations Convention on the Law of the Sea (UNCLOS) of 10 December 1982 to define its boundaries by extending baselines connecting its outermost points to its outermost islands and/or reefs.[13] A further restricted regime approved by the convention is the regime of archipelagic sea-lanes passage. The archipelagic state, according to the Convention, shall enjoy the right of sovereignty over its waters. The archipelagic state may suspend passage in areas of its waters if necessary for security purposes. It may also designate specific sea lanes and air routes over them. The right to continued transit passage is fundamental to all users of these straits. Transit passage assumes that warships will proceed directly through the straits and desist in the use of force. Indonesia and the Philippines have designated sea lanes but are apparently not in any hurry to enforce rights granted them under UNCLOS. Although most of the nations of the world signed, only eleven states have ratified it and negotiations continue. The concept, however, has been granted approval and all user nations will accommodate in their own fashion to the new realities.

The maintenance of open sea lines of communication is of great interest to nations using the South China Sea. The major north-south routes transit the Natunas area disputed by Indonesia, Malaysia and Vietnam. They also pass through the Paracel and Spratly zones disputed by China and Vietnam as well as other states. Future local naval engagements in either of these areas will impede or lengthen the transit period for user nations. The extended jurisdictional claims of China (legally unspecified but encompassing much of the South China Sea) and Vietnam require the most attention. The Chinese and Vietnamese claim the Paracels and the Spratly areas based on their claims of historical occupation. The Chinese evicted the South Vietnamese from the Paracels in 1974. Oil is being extracted to the west of these islands and is rumoured to exist on or very near the Chinese-occupied Paracels. The Spratly area is viewed as being potentially rich in oil and natural gas. So far China has not pressed its claims to the Spratlys by occupying one or more of the islands.

Vietnam and Indonesia are currently at a stalemate in their discussions over the delineation of their maritime boundaries. The talks have been going on for five years and involve rights to hydrocarbons located in the continental shelf north of

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the Natuna islands which are occupied by Indonesia. Indonesia has allowed Marathon Oil Company to explore in this area. Vietnam has vigorously challenged this contract and stated that "foreign companies should pay attention to this matter and should not conduct survey and exploration operations in the disputed area without Vietnam's consent". Any oil company which failed to observe these instructions " . . . must be held responsible for the consequences arising from its act".[14]

Strategic Considerations: Impact of the Arms Build-up and Major Power Interests

The South China Sea and the maritime waters of Southeast Asia are of major strategic importance to the littoral nations as well as the major powers. The guarantee of innocent passage for the merchant and military ships of all nations is fundamental to stability in Asia. Passage in these waters, however, is becoming increasingly constricted especially in the sea lines of the South China Sea and the vital Straits of Malacca, Sunda, Lombok and Wetar-Ombai, all of which are within the Indonesian archipelago.

Waters adjacent to these sea lines as well as the straits are sensitive for security and political reasons. The seas are bordered by countries of very different political ideologies and political outlooks. The western area (Spratly Islands) of the South China Sea is especially sensitive, mainly because so many states have made claims to and have occupied islands in this area. Potential strategic uses for the more developed islands in the Spratlys include bases for sea line interdiction, surveillance and possible launching points for further attacks. The Philippines and Indonesia have particular reason to seek to influence maritime activity in parts of their archipelagos. The south of the Philippines, especially the Sulu Sea area, is a focal point for continuing friction with Malaysia. Supplies for the continuing military support for the Moro National Liberation Front and the New People's Army in Zamboanga, Tawi-Tawi, Palawan and Davao is via sea routes.[15] Indonesia views the eastern portion of the country with continuing concern for security. The Gulf of Tonkin is another area of tension as the Chinese island of Hainan flanks the Hanoi-Haiphong complex and both countries vie for oil and natural gas in the region. Strategically, Hanoi is militarily blocked by PLA (People's Liberation Army) naval units located in strength on Hainan and the Paracel islands.

Other strategic considerations include continuing use of the major straits for military purposes. East to west passage is important for surface units of all navies. North to south passage is also of importance to submarines.[16]

The existence of U.S. military bases in the Philippines and Soviet bases in Vietnam serve to complicate the security picture in the South China Sea area. Clark Air Base and Subic Naval Base in the Philippines have been important features of U.S. security policy in Asia since World War II. Both are vital logistics support facilities which allow the U.S. Navy and Air Force to stand behind security

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TABLE 1
OCCUPIED ISLANDS IN THE SOUTH CHINA SEA

Standard Name	Chinese Name (Pinyin)	Vietnamese Name	Filipino Name	Claimed By	Presently Occupied by
SPRATLY ISLANDS	NÁNSHĀ QÚNDǍO	QUAN DAO TRUONG SA	KALAYAAN	PRC, SRV, PHIL, MALAYSIA (some), TAIWAN	TAIWAN, SRV, PHILIPPINES
Amboyna Cay*	Ānbō Shāzhōu	Dao An Bang	Kalantiyaw	PRC, SRV, Phil, Mal, Taiwan	SRV
Commodore Reef**	Sīlìng Jiāo	–	Rizal Reef	PRC, SRV, Phil, Mal, Taiwan	Philippines
Flat Island	Āntáng Dǎo	–	Patag	PRC, SRV, Phil, Taiwan	Philippines
Itu Aba	Taìpíng Dǎo	Dao Thai Binh	Ligaw	PRC, SRV, Phil, Taiwan	Taiwan
Lankiam Cay	Yángxìn Zhōu	–	Panata	PRC, SRV, Phil, Taiwan	Philippines
Loaita	Nányuě Dǎo	Dao Loai Ta	Kuta	PRC, SRV, Phil, Taiwan	Philippines
Namyit	Hángxúe Dǎo	Dao Nam Ai (Nam Yet)	Binago	PRC, SRV, Phil, Taiwan	SRV
Nanshan	Mǎhuān Dǎo	–	Lawak	PRC, SRV, Phil, Taiwan	Philippines
Northeast Cay	Běizǐ Jiāo	Dao Song Tu Dong	Parola	PRC, SRV, Phil, Taiwan	Philippines
Pearson Reef	Bǐshēng Dǎo	–	Hizon	PRC, SRV, Phil, Taiwan	SRV (probable)
Sand Cay	Báilán Jiāo	Dao Son Ca	–	PRC, SRV, Phil, Taiwan	SRV
Sin Cowe	Jǐnghōng Dǎo	Dao Sin Tonh	Rurok	PRC, SRV, Phil, Taiwan	SRV
Southwest Cay	Nánzǐ Jiāo	Dao Song Tu Tay	Pugad	PRC, SRV, Phil, Taiwan	SRV
Spratly Island	Nánwěi Dǎo	Dao Truong Sa	Lagos	PRC, SRV, Taiwan	SRV
Thitu	Zhōngyè Dǎo	Dao Thi Tu	Pagasa	PRC, SRV, Phil, Taiwan	Philippines
West York Island	Xīyuè Dǎo	Dao Ben Lac	Likas	PRC, SRV, Phil, Taiwan	Philippines
PARACEL ISLANDS	XĪSHĀ QÚNDǍO	QUAN DAO HOANG SA	–	PRC, SRV, TAIWAN	PRC
PRATAS REEF	DŌNGSHĀ QÚNDǍO	–	–	PRC, TAIWAN	TAIWAN

*Malaysian name = Pulau Kecil Amboyna **Malaysian name = Terumbu Laksamana

SOURCE: U.S. Department of State.

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commitments made to Japan, South Korea, the Philippines, and Thailand.[17] These bases also support U.S. naval missions in the Indian Ocean. The establishment of Soviet military bases in Vietnam has allowed the USSR greater influence in the region. Not only has Moscow multiplied its naval and air presence in East and Southeast Asia, but it has also dramatically increased the number of naval units actively operating in the region.[18] Just as important for regional purposes has been the quietly escalating Soviet military assistance programme to Vietnam. The supply of training and equipment in the naval category is rapidly changing the military balance among the regional powers in Southeast Asia. In less than five years Vietnam has acquired an amphibious capability as well as increased the number of missile-equipped fast attack craft. The reported Soviet training of Vietnamese naval personnel in diesel attack submarines at Cam Ranh Bay will also give Vietnam significant advantages in the South China Sea.[19]

Arms Build-up. A review by the International Institute for Strategic Studies (London) of the "Annual Military Balance" from 1976 to the present reveals significant purchases in the naval and air categories. Table 2 demonstrates current numbers for most ship categories. Analysis of the "On Order" category for 1984–85 reveals that the naval arms build-up is accelerating especially in terms of small combatants, landing ships, ship-launched missiles, and submarines.

Among the reasons for accelerated arms purchases for the ASEAN states in the 1970s was the announcement of the "Guam Doctrine" by the United States in 1968. The Guam Doctrine stated that, in the future, the non-communist states of Asia would have to provide for their individual security needs. Within ASEAN, greater attention was paid to internal political and economic development and national security. South Vietnam's defeat in 1975 and the Vietnamese invasion of Kampuchea and incursions into Thailand in 1980, 1984 and 1985 hastened the re-arming of ASEAN. Evidence of greater naval concern was noticed in the late 1970s when all of the ASEAN states increased their number of fast patrol craft armed with surface-to-surface missiles. Interest in amphibious capability was apparent earlier in the cases of the Philippines and Indonesia because both nations were using these vessels on active service and in combat.

China and Vietnam, prior to 1978, had not devoted significant funding to their naval forces. The discovery of oil in the waters southeast of Ho Chi Minh City and the increasing evidence of oil in the South China Sea to the south of Hainan gave impetus to naval rearmament. In a brief battle in 1974, the Chinese navy and marines defeated a small South Vietnamese garrison in the Paracel islands. This battle was fought with Chinese destroyers and air support. PLA marines landed from the destroyers and swiftly overran the defending garrison which was under-manned and enjoyed no naval or air cover. In 1982 and 1983, clashes occurred between ships of the Vietnamese and Chinese navies in the Gulf of Tonkin area and near the Paracels.[20] In the Gulf of Tonkin, China has claimed jurisdiction over waters which Vietnam refuses to concede control.

The Tonkin Gulf flash-point appears to be 107.3 East longitude. It is alleged

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TABLE 2
EAST ASIA NAVAL ORDER-OF-BATTLE SUMMARY

Category	USSR Pacific Fleet	U.S. Pacific Fleet	PRC	Brunei	DPRK	Indonesia	Japan	Malaysia	Philippines	ROC	ROK	Singapore	SRV	Thailand
Carrier	2	6	–	–	–	–	–	–	–	–	–	–	–	–
Battleship	–	1	–	–	–	–	–	–	–	–	–	–	–	–
Cruiser	15	17	–	–	–	–	–	–	–	–	–	–	–	–
Destroyer	23	28	21	–	–	–	33	–	–	26	11	–	–	–
Submarine	126	44	114	–	16	3	15	–	–	2	–	–	1–2	–
Frigate	61	46	25	–	4	10	18	2	7	10	8	–	8	5
Major Combatants	227	142	160	–	20	13	66	2	7	38	19	–	9–10	5
Patrol/PAC	231	–	962	12	338	16	5	91	90	39	83	30	200	110
Mine warfare	71	–	145	–	–	2	43	4	–	13	11	2	30	10
Amphibious	74	33	363	5	79	19	8	21	114	49	27	12	37	45
Auxiliary	207	58	380	1	?	25	41	24	30	18	11	–	14	10
Total	810	233*	2,010	18	437 +	75	163	142	241	157	151	44	290	180
Naval Aircraft	440	600	800	–	?	42	211	–	23	27	33	–	13	75

* U.S. Seventh Fleet afloat consists of about 60 ships and 240 aircraft.

SOURCE: Bradley Hahn, *The Strategic Implications of a Maritime Confrontation in the South China Sea* (Hahn Associates International, 1984), p. 17A.

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that if China encroaches upon that line Vietnam will use force.[21] In May 1984, Vietnam accused China of preparing to annex the Spratlys and vowed to defend them. China claims but does not occupy islands in the Spratlys. Vietnam claims all of the Spratlys and occupies seven of the smaller islands with limited numbers of troops, while Spratly island itself is equipped with a paved all-weather runway.[22] In April 1984, Vietnamese marines participated in the first joint Vietnamese-Soviet amphibious exercise on the northern Vietnam coast.[23] Soon after this exercise, China put into operation a show of force around the Spratly islands.[24] Surface combatants with tankers were deployed in naval exercises around the Spratlys. Soon after the PLA surface force returned to Hainan island, 10 PLA amphibious landing ships carrying 2,000 marines circumnavigated the Spratlys, thus demonstrating China's ability to land on and occupy any island in the Spratlys.[25]

In the competition to intimidate through threat or the actual use of military force, Vietnam and China are the most active. At present, talks are going on between Vietnam and China on security issues. It is doubtful, however, if a compromise over the Paracels and/or the Spratlys is probable. Both sides continue to equip themselves with weapons needed to achieve or maintain their respective military positions in the South China Sea.

Also active in the Spratlys area is the Philippines which fortified its islands here in 1968.[26] The Philippines stations marines on the islands as well as on oil-drilling ships which are anchored nearby. Manila would have difficulty defending its occupied islands because they are 300 miles from Palawan, the main supply and logistics terminus in the south of the country. The Philippines also lacks sophisticated aircraft and surface combatants necessary to defend its island claims. Concern in Manila centres around the fact that the Soviet Union may gain access to one or more of the Vietnamese bases located in the Spratly area.

Malaysia is also an interested party in the extended Spratly claims dispute. In 1981, Vietnam occupied Amboyna Cay located within the area claimed by Malaysia as territorial waters.[27] In 1983, Malaysia stationed navy commandos on an adjacent island as an observation post for tracking Vietnamese naval traffic.

Major Power Interests. China, Japan, the United States and the Soviet Union are, depending upon the definition used, major powers with interests in the maritime area in Southeast Asia. All of these states have commercial relations with regional powers. All rely upon access to the sea lines for commercial and military transit. No non-regional power is more dependent on the major maritime passages in Southeast Asia than Japan. Japan must rely upon the Persian Gulf for 75 per cent of its oil and upon the South China Sea and other regional waters for increasing volumes of fish.

Long-standing opposition to any Japanese military presence exists in Southeast Asia. As a consequence, Japan has had to rely on the United States, Australia, New Zealand and the countries of ASEAN to guarantee its continued access to Southeast Asian waters. The United States has global security

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commitments. Even in the midst of a significant build-up of weapons and equipment, it is only marginally able to provide the military forces necessary. Acceptance of increased responsibility for regional security in Southeast Asia has become more necessary. Japan, of all of the non-communist regional powers, is best able to afford increased defence spending. Appropriately, Japan has agreed to build a respectable air defence capability as well as defend its sea lines of communication out to a distance of 1,000 miles. Japan does not yet possess the capability to defend its sea lines, but is making progress through the purchase of additional P–3 patrol aircraft, destroyers, and other naval combatants. Any increased contribution made by Japan will free the U.S., Australian and ASEAN navies to operate in waters to the northeast and southeast. Japan and Australia are seen in this context as supplementing U.S. and regional naval activity.[28]

The United States has provided a continuous military presence in Asia since 1975. This presence has enabled the ASEAN nations, Hong Kong and Taiwan, to increase their gross national product by an average of 10 per cent. While the United States does not take credit for the economic and security successes of most of these countries, its policy of deterring Soviet, North Korean and Vietnamese intimidation has been effective. In the mid-1980s, the Soviets have a quantitative advantage in the military balance in the Pacific region, having greater numbers of newer, more sophisticated submarines, tactical aircraft, bombers, infantry, and so on. However, one should not conclude that the USSR dominates the region in its naval or air capabilities. As Paul Dibb points out, at present Soviet naval and air forces would be severely disadvantaged in a conflict with U.S. forces in maritime Southeast Asia.[29]

U.S. security policy has stressed and continues to stress forward deployed naval air forces. These forces, located in the Philippines, Guam and Japan, maintain a continuous U.S. military presence on or above the sea lines of communication. The enduring problem for the U.S. government continues to be to convince regional allies that they should contribute more substantially to joint naval and air patrol efforts. The ASEAN military organizations have been devoting increasing amounts of time and funds to identifying regional security problems to which local solutions may be found.[30] The consensus in ASEAN appears to be that no need exists for a military alliance, although that view could change if a severe threat to ASEAN security were to occur.

China's impact on the security of maritime Southeast Asia has already been outlined as it affects the Spratly area and also China's relations with Vietnam. Other considerations worthy of mention are the upgrading of China's merchant fleet and the evolution of the PLA navy in recent years. China has not entered the maritime power competition but clearly has the capacity and will to do so. In the near future, China will further expand its volume of maritime trade on a global scale. The PLA navy is attempting to catch up rapidly with those of the Soviet Union and the United States by developing a seaborne nuclear deterrent.[31] It is also obvious from the interview with Liu Huaquing, head of the PLA navy, that China

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is serious about protecting its claim to the resources of the South China Sea as well as asserting itself as a maritime power in Asia.[32]

An analysis of the nature and impact of Soviet military power in Southeast Asia merits moderation. At present, the Soviets are effectively projecting their military power into an area which had previously been a preserve of the West. It is disconcerting to U.S. power to have the Soviets expanding their air and naval assets in Cam Ranh Bay as well as conducting a large-scale construction programme within that base. The Cam Ranh Bay base is being expanded into an advanced staging and repair facility which will save the Soviets time in projecting their naval forces into the Indian Ocean.[33] In parallel and as a back-up facility, in case of a break in relations with Vietnam, which is not likely, the Soviets are also developing a naval facility in the Kampuchean port of Ream.[34] These points having been made, the Soviet presence in Southeast Asia is prominent only in the military area. Soviet diplomatic overtures are viewed with suspicion in the region. KGB activity in Indonesia, Thailand and Malaysia in recent years has been closely monitored by the security agencies of these countries. The Soviets, however, present no role models for economic development.

Soviet objectives in maritime Southeast Asia include attempting to neutralize U.S. and allied naval forces in the region. In addition, Soviet objectives involve seeking to hinder the development of Western security alliances in East and Southeast Asia. The Soviet Union's use of bases in Vietnam permit it to consolidate its influence over Vietnam, Kampuchea and Laos.

In Southeast Asian capitals and Washington, concern exists as to future development in Soviet-Vietnamese relations, especially in the maritime context. Using Cuba as the model, it is apparent that the Soviets are equipping the Vietnamese with naval assets such as amphibious shipping, patrol craft and possibly Whiskey-class submarines. Once the training period for the use of these new ships and weapons is over, Vietnam will possess the most potent maritime force in Southeast Asia. How these resources will be used remains to be seen.

The past six years have been years of considerable activity in maritime Southeast Asia. During this period, the Soviets have matched and exceeded U.S. power levels in quantitative terms. China is just beginning its surge to a maritime power status. Pressure is now on the United States to match the Soviet increase in military force in the region. Existing problems in U.S.-alliance relations preclude rapid increases in the military forces of Japan, Australia, and New Zealand. The ASEAN states will be forced to assume an increased burden in maintaining a security presence in their areas of responsibility.

In summary, Soviet strategy in the Asian and Pacific areas has been:

1. To constrict Chinese policy so that a close association with the United States does not develop.
2. To establish a strong naval and air presence in Southeast Asia in order to intimidate local non-communist powers and train and rearm the Indochina states. Military forces to the south of China and Japan also enable the Soviets to cut Japan's oil lines and dominate the South China Sea with its attack submarines.

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3. To force U.S. bases, if possible, out of the Philippines, to try to guarantee that Australia does not provide a fall-back position for the United States,[35] and to attempt to force the cancellation of U.S.-Australian base agreements.[36]
4. To seek positions of influence either in bases, fishing agreements, diplomatic relations, trade, repair facilities, and so forth, in the Pacific Islands (Kiribati, New Caledonia and Tuvalu).[37] The Soviets are seeking to establish air and naval bases in the South Pacific.

U.S. strategy, on the other hand, has been:[38]

1. To continue to be the major guarantee of security in the Asian and Pacific region. This policy continues to be implemented through the existing alliance structure and through the continuous upgrading of the weapons and manpower needed to deter threatening activity.
2. To continue to encourage greater assumption of security responsibilities by the governments of South Korea, Japan, Australia, and the ASEAN nations.
3. To continue through diplomatic and other programmes to assist in the resolution of pressing political, economic and security problems with Japan, New Zealand, and China.

Negotiations, Future Developments, and Conclusions

Space limitations have precluded more thorough discussions of the legal aspects of the many conflicts briefly discussed in this paper. The 1982 UNCLOS provides compulsory procedures for the settlement of disputes.[39] Many venues are open to disputing parties, including arbitration, adjudication and conciliation, as well as other regional or local *ad hoc* procedures. Also mandated under the 1982 UNCLOS is an International Tribunal which will deal with Law of the Sea issues. Parties to disputes in the South China Sea and other regional waters in Southeast Asia, however, must agree to negotiation.

Conflicts in which resources are said to be the major issue but where, in reality, strategic position is the major motivation, will be more difficult to resolve. To date, isolated cases of violence have been associated with fisheries issues. For example, Malaysian police and naval vessels have fired on Thai fishermen. Solutions to fisheries questions will apparently leave some countries, such as Thailand, disadvantaged. The claims to ownership of hydrocarbons are, in theory, more easily negotiated. Joint development in production and policy is a possible solution to competing claims within ASEAN.[40] In November 1984, Indonesia invited its ASEAN partners to co-operate in the joint development and production of its gas fields in the South China Sea near the Natuna area. Another example of this approach involves Indonesia and Australia. In December 1984, Indonesia announced that both countries were studying a proposal to administer jointly a zone which had been in dispute for a long period of time.[41] However, in neither case have final solutions been devised to date. Negotiation may work in many cases, given goodwill and mutual interest in working towards a binding conclusion.

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Future Developments. It is difficult to be optimistic regarding the probability of stability in maritime Southeast Asia in the early twenty-first century. The need for increased usage of the natural resources to be found in the waters of the region will overpower the dispute-resolution systems in use in 1986. In the short term, however, the region is blessed by the following:

1. Off-shore minerals cost more to extract than they are worth in the market place.
2. Regional demand for hydrocarbons usage is static or falling.
3. The competition for fish is only just beginning although with ugly overtones.
4. With the exception of the communist states, the downturn in the international economy has slowed the regional arms build-up.
5. Oil or natural gas has not been found in commercially attractive quantity in the Spratly area.

In strategic terms, the South China Sea and the Malay Barrier Straits are of high future value to Japan and China, as well as to the USSR. Few analysts believe that the waters of the area would be denied to international commerce. This policy would harm the local economies as severely as the nations using the waterways. Militarily, the archipelagic waters could, under certain conditions, be denied use or restricted to certain monitored waters. Were restrictions of this kind to be imposed, the United States and other nations could re-route naval passage southwards to the Tasman Sea and the Bass Strait which separates Tasmania and Victoria in Southern Australia.[42] Considering the "great circle" factor, passage from San Diego on the west coast of the United States to Diego Garcia in the Indian Ocean is only three days longer than passage through the Straits of Singapore and Malacca (28 days via Bass Straits versus 25 days via the Straits of Malacca).

The question of providing a security presence in the region will increasingly become a problem for the regional powers. It may become increasingly difficult for the United States to continue to maintain its long-term air and naval presence in Southeast Asia. U.S. security policy since 1980 has been predicated upon "defense burden-sharing" in Asia. Political and economic constraints are cited by friends of the United States when they are asked to share greater co-operative security burdens. Opponents of the United States and its allies in the Pacific are deploying third-generation aircraft, surface combatants and attack submarines at a rate of 3 to 1, in favour of the former. In a period of years, quantity will overshadow quality.

The major security burden of the future will fall upon the ASEAN nations, Australia, Japan and South Korea. National interest in security terms may serve to overcome other inherent obstructions such as South Korean-Japanese cultural issues and the lingering effect of anti-Japanese feeling in Southeast Asia as a result of World War II. Australia may have a heightened role to play, given a receptive political climate, as a partner in co-operative naval and air patrol agreements and as a fall-back position for U.S. forces. The regional states in maritime Southeast Asia have available to them formal and *ad hoc* mechanisms for resolving the disputes discussed in this paper. Some states are making effective use of them. The regional communist states (China, Vietnam and the USSR) appear to be

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transferring to the South China Sea their current confrontational relations. In order for stability to be maintained in the South China Sea, China, Vietnam and the USSR will need to avail themselves of existing mechanisms for the resolution of disputes.

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37. See Robert Keith-Reid, "U.S. Poachers Open the Way for Soviet Penetration", *Bulletin* (Sydney), 16 April 1985, pp. 92–93, in *JPRS — Southeast Asia Report*, 8 May 1985, p. 24.
38. See Nayan Chanda, "American Big Stick", *FEER*, 20 June 1985, pp. 46–47
39. See United Nations, *The Law of the Sea: Official Text of the United Nations Convention on the Law of the Sea* (New York: United Nations, 1983), Articles 186–91, 279–99, and Annexes V–VIII.

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40. See "ASEAN Partners Invited to Jointly Develop Gas Fields", *Business Times* (Kuala Lumpur), 14 November 1984, p. 1, in *JPRS — Southeast Asia Report*, 10 December 1984.
41. See Michael Richardson "Bridging the Gap", *FEER*, 13 December 1984, p. 46.
42. See Robert A. Brand, "Defence Down Under: An American View", *Pacific Defense Reporter*, June 1985, pp. 11-14.

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Singapore's Development: Harnessing the Multinationals

CHONG LI CHOY

Introduction

Various opinions have been expressed concerning relations between multinational corporations and their host nations. To some, these relations are seen as exploitative and highly damaging to the nation.[1] To others, the contributions of multinational corporations to their host nation's development have been positive and highly desirable.[2] In spite of these diverse opinions regarding multinational-host nation relations, most host nations do believe that "they could induce business firms to respond adequately to national interests".[3] The fact that most host nations do offer incentives to multinationals to do business in their respective countries does imply this fundamental belief of host governments. Otherwise, the offer of incentives would be meaningless, unless one chooses to believe that host nations are so much under the dominion of the multinationals or their home nations that they are "coerced" into offering such incentives.

It is no doubt true that many nation-states are fearful of their loss of sovereignty,[4] which could be economic or otherwise, with the "invasion" of multinationals onto their national soils. The conflict of interests is real.[5] The social costs incurred by the presence of multinationals in the host nation could be considerable and the political ramifications could be frightening. Yet, most nation-states do desire multinationals on their shores. Singapore is one such nation. Its past history is one which is closely linked with multinationals and its present development also derives much from them. The importance of multinationals (foreign investment) in Singapore's development today is clearly seen in the following statistics:

1. The net investment commitments in manufacturing in recent years are mainly foreign. For the years 1979 to 1985, official statistics reveal that foreign net investment commitments in the manufacturing sector varied between a high of 87.3 per cent in 1979 and a low of 65.8 per cent in 1981. In 1984, it was 73.1 per cent, and in 1985, 79.6 per cent.[6]
2. The foreign component of the gross national product (that is, GNP at market prices minus the indigenous GNP) constituted about 20 per cent in recent years (23.1 per cent in 1980, 19.7 per cent in 1981, 19.6 per cent in 1982, 20.0 per cent in 1983, 18.6 per cent in 1984, and provisionally 18.7 per cent in 1985).[7]

This paper traces the historical evolution and development of the symbiotic relationship between Singapore and the multinationals, and how this has led to Singapore's development. It also examines how Singapore manages to harness

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multinationals to fulfil its development objectives by meeting their basic needs and by offering them incentives and various services.

Multinational-Host Nation Relations

There is little doubt that in the past multinational corporations had acted against the interests of host governments, and often in conspiracy with their home governments. As "charter companies",[8] which existed from about the 1620s to early in the twentieth century and officially sponsored by their home governments, they were vehicles of their home governments for trade, conquests, and colonialism. These were the early multinationals which "created a network of international systems linked into nationally dominated markets",[9] taking the place of the failed mercantilist system which preceded it. Under such historical circumstances, these early multinationals (charters) were necessarily vehicles of imperialism for their home nations. Their subsequent evolution through "cartels", in between the two world wars, into the modern multinationals of today was the result of changing historical conditions, namely, "war between the metropoles, followed by depression".[10] It was only after World War II, which was followed by the period of decolonisation, together with the emergence of new forms of technology, that the modern multinationals which exist today came into prominence.

The immediate post-World War II period was one of intense nationalistic fervour in the Third World nations. Under such circumstances, multinationals, which had been effectively the vehicles of imperialism of their home governments in the immediate past, were often made to suffer the wrath of the new national governments. In response, home governments made attempts to rescue their own nationals and multinationals by exerting direct or indirect pressures on the host governments concerned.[11]

From the very brief discussion of historical circumstances under which multinationals operated, it is clear why multinationals have acted, often in concert with their home nations, against the interests of their hosts. However, changing world circumstances do change the behaviour of multinationals. The world oil crisis in 1973/74, for example, saw multinationals acting in concert with their host nations, the OPEC (Organization of Petroleum Exporting Countries) nations.[12] In other words, multinationals are not necessarily nationalistic organizations. They merely "act in their own best interests in their relations with the host and home governments, both in their roles as vehicles of these governments and as unitary actors that are separately present in the host and home nations".[13] They will "influence both the host and home governments in order to benefit themselves".[14] In this way, the contribution of multinationals to their host nation's development can be both positive and negative, depending on the interests of the multinationals concerned.

A recent empirical study by Fargre and Wells[15] related the resources of multinationals to the outcomes of their negotiations with host nations in Latin America. The establishment of such relationships shows that multinationals

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and host nations can and do influence one another into certain desirable behaviour.

Multinationals in Singapore's Development: Evolution of a Symbiotic Relationship

The development of Singapore has always been linked with multinationals. It was founded in 1819 by Sir Stamford Raffles, an agent of the British East India Company (a charter company), to enable the British to have a trading port in Southeast Asia, in rivalry with the Dutch East India Company which controlled Malacca, and much of the region, including Java, Moluccas and the Riau Islands. Singapore was thus established as a British colony (initially merely as a trading port) by a multinational business (the British East India Company), to be its trading centre in the region. In the words of its founder, Raffles, in June 1819, Singapore was meant to become "a great commercial emporium".[16] Singapore was essentially set up and paid for by business, for business, to serve the interests of business. It was only in 1867 that Singapore became a crown colony, or more correctly, the Straits Settlements of which Singapore was member, became a crown colony. Singapore did not by itself become a separate crown colony until 1946. In other words, for almost half a century, from 1819 to 1867, Singapore did not come under the direct rule of the British Government, but was ruled indirectly through the British East India Company. It was essentially administered by business, and in many ways like a business enterprise, even though there may have been secondary political considerations.

In those early days, the symbiotic relationship between Singapore and the multinational charter company, the British East India Company, was one of dominion by the latter. Economic interests often prevail over the political interests of even the home nation. In the dispute over the founding of Singapore, for instance, economic considerations prevailed over political considerations. The initiative to establish Singapore as a colony by Raffles in 1819 was not encouraged by the directors of the East India Company and the British Government Board of Control at that time, because they "wished to reduce their commitments in Southeast Asia, and to reach an accommodation with the Dutch to secure peace and fair trading conditions in the region".[17] However, this wish for "withdrawal from Southeast Asia was resisted by private British merchants, who had expanded their trading activities during the war-time disruption of Dutch rule, and by the East India Company's officials on the spot".[18] Raffles was one such official. Although Raffles was indeed taking his own initiative in founding Singapore, he was doing it as the Lieutenant-Governor of Bencoolen, an agent of both the East India Company and the British Crown. In spite of the initial doubts regarding Singapore's worth, such doubts were quickly dispelled as the colony grew and prospered as a trading centre.

"From the beginning, Raffles had regarded Singapore as a commercial centre".[19] "Her convenient location, free trade policy and comparative orderliness

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were responsible for much of Singapore's early success . . . the main reason for her spectacular growth was not that she was a new phenomenon but rather that she offered unique attractions to an already highly developed regional trade, conducted by prosperous Asian and European traders, who appreciated the opportunities offered by this new outlet".[20] Although Singapore was set up basically to serve business interests, and was administered in the early days by appointees of a British business, the East India Company, it did benefit in terms of its development as a society. Even in the early days of its founding, Raffles had "plunged into the task of creating a society".[21] Education and social reforms were introduced very early in Singapore's development, and some of these on Raffles' own initiative. This is important because it reveals the other part of the symbiotic relationship between Singapore and mulitinational business — the growth and development of Singapore society and its economy, even as business interests were served.

This symbiotic relationship continued even after Singapore came under the direct rule of the British Government, as part of a crown colony in 1867, and even after its independence from the British to become a sovereign state. As a political entity, Singapore continued to serve the interests of multinational business, and to benefit from this relationship in terms of developmental progress. But with national independence and changing circumstances, the development priorities and objectives changed, and as a result, the types of multinationals encouraged to do business in Singapore also changed over time.

Singapore attained internal self-government as a British colony in 1959. In 1963, it became part of Malaysia and in 1965, an independent nation-state — a republic. Throughout these years and up to the present, Singapore was led by the People's Action Party government. But the economic, social and political conditions changed over the years, and as these changed, government objectives, and hence, strategies and actions *viz-à-viz* multinationals, such as the incentives given, were revised.

Among the most serious problems facing Singapore in 1959 were impending unemployment and instability of an economy wholly dependent on one sector. To overcome these problems, the Singapore Government embarked on its industrialization policy — to attract manufacturing industries to Singapore, in order to provide jobs for Singaporeans and possibly, an alternative livelihood to entrepôt trade. The first incentives to industries were introduced in 1959 with the enactment of two ordinances — the Pioneer Industries (relief from income tax) Ordinance, and the Industrial Expansion Ordinance. Under these ordinances, pioneer status was awarded to firms in industries manufacturing selected products, granting them tax exemptions of up to five years, as well as accelerated depreciating allowance. These incentives, together with the already highly developed economic and social infrastructures in Singapore, such as telecommunications, transportation and port facilities and an efficient civil service, attracted many labour-intensive manufacturers to set up factories in Singapore. The Economic Development Board (EDB) was set up in 1961 to promote industrialization in Singapore. Its functions

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then included: investment promotion, economic investigation and project evaluation, provision of technical and consultancy services, development of industrial infrastructure and facilities, and industrial financing. Later, other organizations were set up, such as the Singapore Institute of Standards and Industrial Research (SISIR), and the Jurong Town Corporation (JTC) to perform some of these as well as other functions related to the development of industries in Singapore.

In 1963, Singapore became a part of the Malaysian Federation. The political dispute with Indonesia over the formation of Malaysia led to "confrontation" with Indonesia. As a result, Singapore's traditional entrepôt trade with Indonesia suffered, because of the severing of trade ties. Adding to this problem was the fact that most countries in the region preferred to trade directly with other countries rather than through Singapore. The need to attract multinationals to help Singapore industrialize became even more urgent.

The separation from Malaysia gave rise to the need for export promotion. Industrial policies shifted from import substitution to export promotion because of the loss of the Malaysian "common market". The Economic Expansion Incentives (relief from income tax) Act was enacted in 1967, granting tax concessions "on profits from exports of domestic manufactures, and from expansions in productive capacities in existing or related lines of production. Concessions were also granted to encourage the use of industrial technology and the inflow of foreign capital".[22] This liberal attitude towards foreign investment attracted many large and medium-sized foreign enterprises. Multinationals were valued not only for their capital, production know-how and capacities but also for their market network.

The announcement of a complete British military withdrawal in 1968 posed Singapore with not only a security problem, but also the problem of unemployment for the large number of Singaporeans whose livelihood was dependent on the British presence at that time. The presence of multinationals in Singapore became even more desirable. The government itself adopted "a more activist and interventionist approach".[23] In 1968, the JTC, the Development Bank of Singapore (DBS), and the International Trading Company (INTRACO) were formed, to look after, respectively, the management of industrial estates, the financing of industrial development, and the promotion of industrial exports. In 1969, the Neptune Orient Lines (NOL) was incorporated to provide shipping services. The Government of Singapore had taken upon itself to participate actively in its economic development, by not only providing the direction, leadership, and administrative support and regulation for business, but also participating directly in business through the formation of wholly-owned or partially-owned government companies. This was not new in Singapore, given its history, particularly the founding, development and governance of Singapore through the British East India Company. The direct participation of the Singapore Government in the private sector had existed even before the incorporation of DBS and NOL. Such earlier companies include the National Iron and Steel Mills, Prima Flour Mills, the

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Singapore Traction Company, and the Malayan Airlines (a predecessor of the Singapore Airlines). The Singapore Government's participation in business is "aimed at stimulating industrialization and in the direction of restructuring the economy, apart from generating government revenue".[24] Since then, government intervention and direct participation in business have been used in very much the same way to achieve the changing objectives of national economic development — that is, the new directions in restructuring the economy to ensure Singapore's continued prosperity in the future.

Up to the late 1970s, the Singapore Government had followed a wage restraint policy. The National Wages Council (NWC), a tripartite body consisting of high-level representation from employers' organizations, the National Trades Union Congress and relevant government departments, was set up in 1972, "with the hope of keeping costs of production within reasonable limits".[25] Singapore was flooded initially by multinationals in labour-intensive activities. By 1979, labour shortage was apparent in all sectors of the Singapore economy, and the demand for foreign workers had risen sharply. The Singapore Government changed its wage restraint policy,[26] and the republic was ushered into its Second Industrial Revolution, intended to restructure and upgrade the economy by moving into higher value-added industries and services. A higher wage policy was announced to induce employers to move to less labour-intensive operations and processes by mechanization, automation and computerisation. The NWC revised its role from keeping wages down, meant to keep costs of production within reasonable limits previously, to pushing wages up to force the pace of technological change towards less labour-intensive methods. Various other incentives were also introduced for this purpose, such as the Investment Allowance (an alternative to the Tax Relief for Pioneer Industries) which allows a tax exemption on profits equal to an approved percentage of the company's fixed investment in machinery and building (up to a maximum of 50 per cent); the Warehousing and Servicing Incentive for warehousing operations which may include servicing, such as machine warehousing and repairs; the Expansion Incentive which provides manufacturing enterprises which increase their investment in production equipment by no less than S$10 million with a possible tax exemption, for a period of up to five years, on the increase of income resulting from the expansion; an Accelerated Depreciation Allowance; and Technical Advisory Services provided by the EDB, the National Productivity Board (NPB), the SISIR, and the Ministry of Science and Technology; Skills Development Fund grants to subsidize the approved training of employees by employers, and the interest cost incurred in the purchase of equipment for automation, as well as various schemes for capital assistance. There are also incentives given to encourage product development, export and international trade, and research and development (R&D). Special incentives for foreign investors include concessionary tax arrangements for non-residents, double taxation relief, property tax relief, no capital gains tax, no turnover tax, no value-added tax, no development tax, and no surtax on imports. Singapore has also signed investment guarantees with several countries.[27] In giving these

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incentives and provisions for multinationals and other businesses, Singapore is single-minded in achieving its development objectives. Having established its objectives and the basic strategy to achieve them, the Singapore Government has always been relentless in carrying out its policies and at the same time, ever ready to revise its plans to suit the changes in the environment.

A major reversal in the Singapore economy took place in 1985. In his 1986 New Year message,[28] the Prime Minister reported an economic growth rate of minus 1.7 per cent, the first negative growth rate after two decades of rapid economic growth. In spite of the high economic growth rates in the last five years (1980–84), external demand for Singapore's goods and services had grown more slowly at 5 per cent per annum, which was only about half that of some other newly industrialized countries, namely, Hong Kong, Taiwan, and South Korea. In 1985, Singapore's external demand fell by 2 per cent compared with the 1–2 per cent growth of the other newly industrialized countries. A survey by the Ministry of Trade and Industry in Singapore revealed "that the profitability of foreign manufacturing firms in 1985 has declined by 70 per cent, and of Singapore manufacturing firms by 35 per cent."[29] Unemployment rose to more than 4 per cent, with the loss of 90,000 jobs of which some two-thirds or 60,000 were held by foreigners. Entry into the labour market by new school leavers in 1986 will increase the unemployment rate to 5–6 per cent. The economic outlook for 1986 is gloomy.

It was in such a situation that plans were again revised and even certain policies reversed. In reply to a question at a forum at the Singapore Polytechnic, the First Deputy Prime Minister, Mr Goh Chok Tong, seemed to advocate a change in the policy of specifically attracting multinationals in the high-technology area and in certain other desired areas to that which encourages all forms of investment which can make profits.[30] To cope with the growing labour-force and the problems of the economic downturn, the government has taken steps to reduce the costs of doing business, such as by reducing rentals through its statutory boards — the Jurong Town Corporation and the Housing and Development Board — and the prices of petrol and diesel oil. Cuts in wages, including the employers' contribution to the Central Provident Fund (a pension fund run by the government), as well as a flexi-wage system have also been advocated by the First Deputy Prime Minister.[31]

In another speech given at a conference in London, the Minister of State for Trade and Industry and Defence, Brigadier-General Lee Hsien Loong, advocated that Singapore should become competitive by getting workers "to work 44 hours a week, where others will only work 38 . . . to do third shifts and keep plants open 24 hours per day . . . accept postings by multinational corporations to strange overseas lands . . . ".[32] In yet another speech at this same conference, Mr Keith A.K. Tay, the chairman of the fiscal and financial sub-committee (one of the eight sub-committees of the Economic Committee chaired by Brigadier-General Lee) pointed out that "a new tax strategy is about to emerge. One of its several important aims is to promote Singapore as a premier operational headquarters for manufacturing, financial and banking services, and international trade."[33]

The Budget announced in March 1986 once again demonstrated

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Singapore's flexibility in its policies towards businesses, and also towards multinationals operating in Singapore. For the year of assessment 1986, all individual taxpayers will receive a rebate of 25 per cent of their personal income taxes. The Finance Minister also announced lower tax rates for 1987. Corporate income tax will also be lowered from 40 to 33 per cent from the year of assessment 1987. Similarly, a "50 per cent rebate on tax for industrial and commercial properties and land (including residential land owned by developers) from 1 July 1986 to end 1988" was announced. "All land being privately developed will be exempted from tax from the time construction starts until the issue of TOL", and from 1 July 1986, "the annual value of hotels will be pegged at 15 per cent of gross receipts from room sales", while the "annual value of food and beverage outlets will be pegged at 5 per cent of gross sales".[34] All these tax reductions will help to lower the costs of doing business in Singapore and to increase profitability. Earlier, the government had also announced a 15 point cut in the employers' contribution to the Central Provident Fund, and a two-year wage restraint.

The Budget also included other incentives for business activities in general and also in specific areas. The original incentive scheme for fund managers with Asian Currency Unit (ACU) licences which enabled them to enjoy a concessionary tax rate of 10 per cent for the fees they earn, provided that the funds are invested in overseas markets, has been relaxed to include investments in local stocks and shares, and to include fund managers who do not have ACU licences but are approved for the purpose by the Monetary Authority of Singapore (MAS). Similarly, the Expansion Incentive Scheme will be suitably modified to enable companies who have enjoyed full tax holidays during their "pioneer status" period, "to enjoy an effective company tax rate of as low as 10 per cent in the post-pioneer period".[35]

To encourage and promote R&D, the Budget speech also announced "that approved companies be allowed to set aside up to 20 per cent of their taxable income as R&D reserve which will be tax exempt if spent within three years". This is in addition to the present available incentives for R&D, that is, "the 50 per cent investment allowance on capital expenditure and the double deduction on operating expenses" which will continue to be granted to approved companies. However, these accounts will "be offset against the 20 per cent reserve" and "any part of the reserve remaining after three years will be taxed and interest charged on the amount of tax deferred".[36] This incentive will take effect from the year of assessment 1987.

The government's encouragement of technological development and high-technology industries is not confined merely to multinationals. It is also encouraging local companies with venture capital to invest in non-traditional and new technologies. Various other incentives are currently being examined for future implementation, particularly to encourage multinationals to set up their operational headquarters in Singapore. Reduced tax rates for foreign income, particularly from the export of services and third-country trading are also under study. At the same time, the government is trimming down the civil service, to reduce "the

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permanent staff of ministries and statutory boards by 10 per cent over the next five years''.[37]

Singapore's policies toward businesses are very flexible and accommodating. It is always extremely responsive to changes in the environment, taking pains to ensure that Singapore is indeed a profitable place to do business in. While wanting economic development and social progress for itself and its people, the interests of businesses are never overlooked. Currently, it is even committed to the privatization of its economy, although the extent of privatization that will come about is still not known. It is certainly keen to build up greater private-sector initiative and leadership. There is little doubt that whatever the changes in the plans, the Singapore Government is committed to the basic symbiotic relationship with multinationals and other businesses. Singapore's commitment to this symbiotic relationship with multinationals has paid off over the past 26 years (since 1959). They have helped Singapore to overcome its unemployment problem in the 1960s, transformed it into a major industrial, financial and services centre by the end of the 1970s, and upgraded its economy to its present level, and even to overcome its current economic difficulties as it moves into even higher value-added and high-technology industries and services. As a result, Singaporeans enjoy a standard of living that is comparable to that of the developed countries. In this current economic downturn, the same commitment to the symbiotic relationship with multinationals is likely to reap returns in spite of the increased emphasis on local businesses recently.

Harnessing the Multinationals

How does a host nation harness foreign multinationals for its own development? The history of the symbiotic relationship between Singapore and its multinationals points to Singapore's success in this matter. It is a matter of the host nation fulfilling the needs of the multinationals and vice-versa. This is consistent with Richard Emerson's sociological theory of power-dependence relations,[38] which has been adapted within the framework of the ''Power Theory of Development'' and applied to multinational-host nation relations.[39] Singapore was able to attract multinationals by fulfilling their needs, and multinationals are willing to do business in Singapore in ways which contribute to Singapore's development (thus fulfilling Singapore's needs) because they value the fulfilment of certain of their needs by Singapore.[40] This is the crux of the symbiotic relationship. It is also the basis for the power-dependence relations between Singapore and the multinationals — needs give rise to dependence relations, and dependence on another to fulfil one's needs gives the other power over oneself. This section will examine the types of needs Singapore fulfilled for foreign multinationals in order to attract them to invest and carry out their business activities in Singapore, and thus fulfil Singapore's developmental needs.

Multinationals do have many needs. Like all large organizations, conflicting interest groups exist within every multinational organization, such as the needs of the managers, the workers and the shareholders, or the needs of the

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different departments and functional groupings within the organization. However, there are two basic needs in every multinational business — the need for profits and the need for security. Profits are necessary to justify the multinational organization's existence as a business enterprise. Security of the organization's investments and profits is necessary if the organizational activities are to be meaningful, that is, the goal of profit is realizable. It is also crucial to the survival of the organization.

There is also a third need which is related to the above two basic needs. This has to do with the ease with which business activities can be carried out — in other words, the existence of factors conducive to the enterprise's activities. For example, there is the need for appropriate infrastructures, appropriate factors of production, as well as appropriate laws and governmental support.

In order to attract the types of multinationals Singapore wanted to harness for its own development, it provided all three types of needs of the multinationals. The desire for profit by the multinationals was supported by fiscal incentives which included tax holidays, special tax arrangements, such as avoidance of double taxation and other concessions, and governmental actions to maintain costs at competitive levels *viz-à-viz* other nations. The ability to maintain a rapidly growing economy with long-term growth prospects also helped to assure business profitability. Security was provided by its political, social and economic stability. Legal protection was accorded foreign businesses, and industrial peace prevailed throughout the island. The Singapore currency was stable. Investment guarantees were signed with several countries which are the home countries of many multinationals. Other factors included infrastructures such as appropriate workshop buildings and land, office space, electricity, gas, water, postal services, telephone, telex and other communication services, transport (air, road, sea), and port facilities. These facilities are continually upgraded and improved upon by the government to serve the needs of businesses even more efficiently. Trained and disciplined labour were made available for the multinationals to employ. Governmental subsidies were even made available recently through the Skills Development Fund for appropriate training of employees. Governmental administrative support and advice were also made available. The presence of many supporting industries and services, including banking and financial services and facilities in Singapore are also important enabling factors.

There is little doubt that Singapore's efforts to fulfil the needs of multinationals in these three critical areas have successfully drawn many multinationals to itself. A survey of manufacturing firms in Singapore[41] in 1985 revealed that for the 67 wholly-owned foreign firms surveyed, the most compelling reasons[42] for setting up operations in Singapore were, in order of importance, political stability (69.0 per cent), economic stability (42.3 per cent), geographic location (39.4 per cent), tax incentives (35.2 per cent), lower costs (25.4 per cent), good communication systems (21.1 per cent), high quality labour (18.3 per cent), no foreign exchange controls (8.5 per cent), and others (5.6 per cent). An American study in 1981 which surveyed the management responses to host-country programmes by American

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corporations reported that "executives in two corporations cited Singapore as the model of a good investment climate and listed the following factors: accessible, responsive, and honest government; economic and political stability; good infrastructure; skilled and efficient labour force; raw material availability; unlimited foreign ownership; reasonable taxation; and good communications".[43] A recent Singapore press report on an American manufacturer of printers, Printronix, cited the "least risk" as the main reason for the company to locate a factory in Singapore to make one of its sophisticated printers. Other factors cited include the offer of "very good financial incentives, including pioneer status" by the government, "the quality of technical and managerial workers", and the ready availability of "almost all parts and services needed in making the printers".[44]

It should also be pointed out that although Singapore does offer a good environment for all businesses, its offer of incentives to multinationals is becoming increasingly selective and discriminating, favouring only those multinationals which can contribute towards the fulfilment of its developmental needs. For multinationals which are highly desirable, there can even be "a specific tailoring of incentives to match the requirements of individual companies".[45] The Singapore Government rewards with incentives and other provisions the multinationals that engage in business and production activities deemed desirable, and discourages others which engage in business and production activities that are deemed undesirable. To illustrate this, let us examine the types of incentives given (and to whom) in order to fulfil the changing developmental needs of Singapore.

In the 1960s, Singapore needed to create an alternative livelihood to entrepôt trade, and to create jobs for its rapidly growing work-force through industrialization. Incentives were given then to manufacturing industries under the Pioneer Industries (relief from income tax) Ordinance, and the Industrial Expansion Ordinance (1959). Following separation from Malaysia and with the change of industrialization strategy from import substitution to export promotion, the Economic Expansion Incentives (relief from income tax) Act was enacted in 1967 which also granted tax concessions on profits from exports of domestic manufactures. From 1972 to 1978, the NWC was instrumental in keeping costs of production within reasonable limits by regulating wages. With the Second Industrial Revolution introduced in 1979 to restructure Singapore's economy towards higher value-added industries, the NWC reversed its role from "keeping wages down" to "pushing wages up", to force the pace of technological change towards less labour-intensive methods. This discouraged labour-intensive industrial activities and, in fact, was intended to get rid of such industries if they could not upgrade their technology. Special incentives were given to firms in the 1980s to upgrade their technology or to move into "high-tech" areas. Encouragement was given to firms to use robots and computers. Incentives were also given for firms to train and upgrade the skills of their employees, and to carry out R&D activities. It is interesting to note that even in the award of contracts for its MRT (Mass Rapid Transit) projects, special consideration has been given to the transfer of technology by the foreign firm to its local partner(s). These examples show how

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Singapore has harnessed multinationals for its own development by encouraging positive contributors and contributions through rewards (such as incentives), and discouraging negative contributors and contributions by the withdrawal of certain enabling factor or factors, such as the pushing up of wage levels through the NWC. In the current economic downturn in Singapore, it has demonstrated considerable flexibility in accommodating the needs of multinationals and other businesses. This is what a symbiotic relationship is all about — both partners (Singapore and the multinationals) must survive and thrive together. Both must benefit from the relationship. For a business, short-term overall profitability is generally important for its survival. For a nation, long-term prosperity is generally more important than mere gains in the short-term.

Conclusion

Singapore's ability to harness multinationals for its own development can be said to be a product of its past history. Over time, the symbiotic relationship between Singapore and the multinationals has shifted from one dominant group of multinationals to another — from international traders to labour-intensive industries, and then to the high-technology industries and services of the future. By providing for the multinationals' needs for profits, security and enabling factors, Singapore has managed to attract the desired multinationals (those able to fulfil its developmental needs) to set up operations in its territory. This harnessing of multinationals is carefully managed through the provision of incentives (sometimes even specially tailored to suit individual firms) and other assistance to those multinationals which it values, and by withdrawing crucial enabling factor or factors from those deemed undesirable to Singapore's development, thus discouraging them and making it unprofitable for them to do business in its territory.

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3. Richard D. Robinson, *National Control of Foreign Business Entry* (New York: Praeger Publishers, 1976), p. 328.
4. For example, see Raymond Vernon, op. cit; and Richard J. Barnet and Ronald E. Muller, op. cit.
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6. Singapore, Ministry of Trade and Industry, *Economic Survey of Singapore 1983*, p. 106; *Economic Survey of Singapore 1984*, p. 106; and *Economic Survey of Singapore 1985*, p. 97.
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29. Ibid., p. 3.
30. *Straits Times*, 1 February 1986, p. 18.
31. Ibid., p. 1. A cut in the employers' contribution to the CPF from 25 per cent of an employee's salary to 10 per cent was announced later.
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33. *Straits Times*, 5 Feburary 1986, p. 16.
34. *Straits Times*, 8 March 1986, p. 1.
35. Ibid., "Budget Special 1986", p. 7.
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37. Ibid., p. 2.
38. Richard M. Emerson, "Power-Dependence Relations", *American Sociological Review* 27, no. 1 (1962).
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40. In other words, the behaviour of multinationals (MNEs) "is very much determined by their needs. These needs are often identified as goals. The purpose of organization is to facilitate the MNE's operations and the purpose of its operations is to achieve its organisational goals . . . such goals are determined by the needs of the organisation concerned". Chong Li Choy, *Multinational Business*, p. 16
41. Wickramasuriya, R.S., and Ta Huu Phuong, *The Singapore Manufacturing Futures Survey — 1985: Preliminary Report, Part II* (Singapore: National University of Singapore School of Management, 1985), p. 1.
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45. Richard D. Robinson, op. cit., p. 28. It should be pointed out that the relaxation of such selectivity and discrimination in view of the current economic difficulties is a temporary one, in order to better overcome the current economic problems. The fact that both the current wage restraint and the cut in the employer's contribution of CPF are temporary measures, for two years only, goes to demonstrate this point.

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The Ethnic Implications of Contemporary Religious Movements and Organizations in Malaysia

RAYMOND L.M. LEE

Introduction

Religion and ethnicity in contemporary Malaysia[1] are both sides of the same political coin. The politically dominant Malays are Muslims by birth, while members of the other ethnic groups are predominantly non-Muslims. About 96 per cent of Malaysian Chinese are Buddhists or Taoists, and about 81 per cent of Malaysian Indians are Hindus.[2] There are Christians and Muslims among the Chinese and Indians but they comprise a small minority in both ethnic groups. This religious pattern bears little resemblance to that on the Malay Peninsula two millenia ago. From the first to the fourteenth century A.D., the Peninsula was one of many states in Southeast Asia that came under the sway of Indian cultural influences. Buddhism and Hinduism, imported from India, not only affected the lifestyles of various Southeast Asian peoples but also provided symbols for political legitimation in the region.[3] Islam did not make a significant impact in the region until after the twelfth century.[4] By the nineteenth century, the Peninsula was settled *en masse* by Chinese and Indian immigrants whose labour was required by the expanding colonial economy. The Chinese, who were mainly tin miners and urban traders, practised a syncretic blend of Buddhism, Taoism and Confucianism, while the Indians who worked largely in the rubber plantations and railways continued worshipping Hindu deities popular in their home villages in South India. Ironically, Buddhism and Hinduism as reimported religions were now peripheral to the state. The British colonialists did not fervently impose Christianity upon the Malays and succeeded in converting only some Chinese and Indian immigrants.[5]

The religious pattern in early twentieth century Malaya reflected to a great extent the pluralist policy of the British colonial administrators. In contrast to the efforts of some Christian missionaries, the Muslims, Hindus and Buddhists did not make any serious attempts at proselytization. Religious boundaries were seldom crossed, resulting in a religious mosaic, the pieces of which gradually came to be identified with particular ethnic groups. This mosaic began to assume a new dimension when Malay nationalism during the pre-World War II years gradually became fused with Islamic reformist ideologies imported by Malay returnees from the Middle East.[6] The politicization of Islam served to reinforce Malay ethnic identity in contrast to the non-Muslims whose religious involvements had not reached the same level of political arousal. Even after the war, the aura of a politicized Islam did not fade away, as Malay radicals agitated for the

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establishment of an Islamic state. Some of these radicals later formed the Pan-Malayan Islamic Party (PAS) in 1951. The leaders of the Malay national party (United Malays National Organization, UMNO) organized its own Islamic programmes to meet the challenge posed by PAS. On the other hand, the establishment of the Malayan Chinese Association (MCA) and the Malayan Indian Congress (MIC) after the war was not religiously inspired. Although these two political parties were founded to protect Chinese and Indian interests, neither relied on religious ideologies for political ends. It was in the context of this political juxtaposition between Islam and the non-Islamic religions that the Independence (*Merdeka*) Constitution of 1957 was finally drafted. This paper will explore the implications of these political developments and their impact upon religious organizations in contemporary Malaysia.

Religion and Ethnicity Since Independence

Independence came to Malaya (then the Federation of Malaya) on 31 August 1957 after UMNO, MCA and MIC leaders compromised on various citizenship conditions for Chinese and Indian immigrants in exchange for the recognition of certain Malay rights by the latter two. According to the Constitution, access to these rights depends upon the fulfilment of three conditions that provide the official definition of Malay ethnicity — habitual communication in Malay, adherence to Malay customs, and profession of the Muslim faith. Nowhere in this legal document does it state the religious basis of non-Malay ethnicity (although Article 11 of the Constitution guarantees the religious rights of non-Muslims). Thus, the Constitution legitimates the Muslim character of Malay ethnicity while leaving the status of non-Malay ethnicity undefined in religious or any other social terms. This legal endorsement of a religious distinction between Malays and non-Malays has had far-reaching consequences on ethnic relations in contemporary Malaysia, especially in the management of communal exclusiveness. For the Malays, Islamic exclusiveness is a strategic necessity for the protection of their economic and psychological interests. This has been accomplished through the implementation of laws that define the obligations of Muslims and laws that curb the activities of non-Muslims.

During the colonial period Islamic obligations were enforced individually in each of the nine Malay states, but between 1950 and 1965 nearly all these states revised their Islamic laws to emphasize uniformity and stringency in religious administration.[7] After 1957, Islamic courts acquired more powers to enforce a whole range of *Shari'ah* laws relating to property, alms, prayers, fasting, alcohol consumption, and sexual relations. These legal restrictions may give the impression of increasing puritanism, but in actuality the severity of control varies from one area to another. In the more heterogenous and densely populated urban areas, Muslims find it easier to avoid the scrutiny of the enforcement officials. Despite their limitations on Muslim social life, these obligations are complemented by a system of special privileges that pertain mainly to land entitlements and special

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quotas in the civil service, education and business. These privileges were available to the Malays during the colonial era but they only attained formal status at the *Merdeka* negotiations. These rights are further protected from public criticism by sedition laws that were passed following the 1969 racial riots. Because Islam is tightly interlocked with Malay ethnicity, any renunciation of the former implies forfeiture of the above privileges. The heavy cost of apostasy has deterred most Malays from seeking other religious commitments. In addition, non-Muslims are prohibited by law from proselytizing Muslims. Non-Muslims apprehended for preaching or distributing non-Islamic religious literature to Muslims are liable to a large fine or a short term of imprisonment.

However, the exclusionary character of Malaysian Islam does not imply that Islamic conversion among non-Malays is forbidden. In the last decade or so, many Chinese have converted to Islam under the active guidance of the Muslim Welfare League (*Pertubohan Kebajikan Islam*, PERKIM).[8] The reasons for Chinese conversion to Islam are diverse, but since 1970 many of these conversions have been economically motivated. Conversion to Islam for the non-Malays does not necessarily mean entitlement to Malay special privileges, and this rule applies even to non-Malays who have been Muslims for generations. However, many Chinese converts to Islam believe that a change in their religious status can provide better opportunities for obtaining business licences and various economic benefits. Such optimism has resulted in several interesting cases involving non-Malay access to loans and shares normally reserved for Malays. Prior to March 1981, Muslim converts could elect to use a Muslim name on their identity cards without indicating their ethnic origins. With such a document, some converts had been able to borrow money from the Council of Trust for Indigenous People (*Majlis Amanah Rakyat*, MARA) and invest in the National Unit Trust (*Amanah Saham Nasional*, ASN), two government agencies whose functions are strictly concerned with Malay welfare.[9] After March 1981, all Muslim converts were required by law to maintain their original names or family names when changing their identity cards. This strategy was adopted to differentiate non-Malay Muslims from Malay Muslims in order to control non-Malay access to Malay privileges. However, loopholes still exist in this system of control. For example, Chinese married to Malays can still gain access to these privileges through the efforts of their Malay spouses. In the case of the Indian Muslims, this problem is even more complicated since they, unlike the Chinese, do not have surnames and are less readily identifiable as Indians according to their names on their identity cards.[10] The ambiguous status of Indian Muslims becomes problematic only when they are in direct competition with Malays for similar material privileges. For example, difficulties arose in 1981 when many Indian Muslims applied to participate in the ASN, claiming to have similar ethnic status as the Malays. The ASN agents were unable to resolve this problem and finally were instructed to accept all Indian Muslim applications on the condition that they were reviewed by higher authorities. Ironically, these cases of ethnic marginality have benefited some non-Malays but have prompted the government to consider revising the

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constitutional definition of Malay, although no final decisions have yet been made on this matter.[11]

Despite these gaps in ethnic definition, Malay identity continues to be reinforced by a burgeoning Islamic bureaucracy and recurring episodes of Islamic revivalism. The tightening of Malay boundaries through Islamic ideologies and activities is parallelled by growing activism among the non-Muslim religions. The religious field of the non-Muslims includes Christianity, Hinduism, Buddhism, Taoism, and various minority faiths such as Sikhism and Baha'i. Among these religious groups, principally the Christians, Baha'is and Buddhists from the Theravada tradition are actively engaged in missionary work. Their activities are, however, limited to the non-Malay population, so that competition among the proselytizing groups is always intense. In addition to these programmes of organizational expansion and recruitment, many non-Muslim religions are currently experiencing a variety of spiritual renewals and innovations.[12] A brief survey of each of the above traditions is necessary to elucidate their patterns of change since 1957.

Although Christians comprise only about 2.5 per cent of the population, their churches have been steadily expanding over the last 25 years. The Catholic church is the largest Christian denomination in Malaysia. Its present membership exceeds 150,000 and accounts for 80 per cent of the Malaysian Christian community.[13] The Methodist church is the Catholics' largest Protestant rival in the country. The major Protestant missions — the Anglicans, Presbyterians and Methodists — were established on the Peninsula between 1786 and 1891, but by the beginning of the twentieth century other smaller denominations — such as the Seventh Day Adventists, Lutherans, Baptists, and Pentecostals — had been introduced into the country. Many of these denominations have experienced phenomenal growth since independence. For example, the Lutheran church increased its membership from 100 in 1958 to more than 5,000 in 1980; the Baptist church from 675 in 1958 to nearly 5,000 in 1979; and the Assembly of God from 550 in 1957 to about 6,000 in 1980.[14] In ethnic terms, this increase is most significant among the Chinese Christians whose numbers have multiplied sixfold between 1931 and 1970, having replaced the Indian Christians as the largest Christian group on the Peninsula.[15]

These changes have been accompanied by two important events, namely, church indigenization and the ecumenical movement. After independence, the control of many churches passed from the foreign missionaries to the local clergy and laymen. The issue of church indigenization today is concerned mainly with a programme of Malaysianization to de-emphasize the churches' Western image. At the same time, local church leaders were influenced by the international ecumenical movement to seek dialogue between the various denominations. In February 1985, some headway was made in establishing Christian unity by the formation of the Christian Federation of Malaysia (CFM), a body representing the Catholic church and several liberal Protestant and fundamentalist churches. Before the formation of the CFM, the Charismatic Renewal had made inroads in establishing informal links between the various denominations. Originally an American religious

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innovation, the Charismatic Renewal reached Malaysia in the early to mid-1970s. It attracted many Christians from the Catholic and Protestant churches with its highly appealing emphasis on Spirit baptism, healing, miracles and spiritual gifts. Organizationally, it is largely a lay-oriented movement that involves minimal participation from the clergy. The movement is also somewhat ecumenical in its programme, although agreement on its inter-denominational orientation by various church leaders has not been fully reached. The largely lay character of the Charismatic Renewal has caused much concern among the clergy who fear the erosion of their authority over the movement's participants. The Catholic church has attempted to co-opt the movement under its tight network of lay organizations (such as the Legion of Mary, St. Vincent de Paul Society, and so forth), while many of its Protestant counterparts have rejected the movement outright. Nevertheless, the Charismatic Renewal continues to generate much enthusiasm among Christian laymen regardless of their denominational differences. In this way, the movement has not only revitalized Christian worship but also provided new lines of religious alliance among Christians.

In addition to the Charismatic Renewal, other lay-centered Christian organizations have been established in the urban areas. Most notable are the Catholic-sponsored Basic Christian Community and New Convenant Community groups. Although both groups profess to be ecumenical, they tend to attract mainly Catholic laymen whose participation is closely supervised by the church authorities. Although the growth of these lay Christian movements occurred around the same time as the Islamic revival, they are not necessarily a direct response to the latter event. These groups had been in the making for quite some time, being part of a wider process of Christian experimentation around the world. It is likely that Islamization has accelerated Christian participation in these movements. Government restriction on foreign Christian missionaries and the lack of locally trained clergy have also created conditions that encourage laymen to become active in movements where they can exercise some control. Christian activism on this level is largely apolitical, being confined to individual choice and personal taste. But for those who are intensely involved in these movements, the emotional satisfaction accompanying communal worship and sharing tends to promote a stronger sense of Christian identity.

Close to 9 per cent of the Malaysian population is Hindu, almost all of whom are Indians. Prior to the 1950s, most of the Indian Hindus were concentrated in the rural areas, but after independence many of them migrated to the major towns and cities. This has resulted in a proliferation of Hindu shrines and temples in the urban areas. During the past decade, many of the smaller temples and shrines have been upgraded into large worship complexes, along with an increase in the number of modern Hindu organizations.[16] Generally, Hindu temples and organizations are individually autonomous, but since 1957 many have become affiliated to the Malaysian Hindu Sangam which is attempting to centralize Hindu activities throughout the Peninsula. Another important development in recent years is the attraction of many urban Chinese to Hindu temple worship and

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participation in various Hindu movements. These Chinese devotees have not necessarily adopted a Hindu identity because there are no conversion requirements. Most of them have turned to Hinduism largely for thaumaturgical reasons.

As in the case of Christianity, Hindu activism at the lay level is characterized by an individualized appeal that lacks political motivation. Many traditional Hindu temples now face stiff competition from various innovative groups introduced from the Indian subcontinent and elsewhere. The most prominent are the new guru cults such as those led by Satya Sai Baba, Sri Bhagwan Rajneesh, Guru Maharaj Ji, and various forms of "Americanized Hinduism", such as Krishna Consciousness, Transcendental Meditation, and Self-Realization Fellowship. In addition, several local innovations derived from the South Indian Shaiva Siddhanta tradition have attracted small followings of devotees. Most of these new movements are *bhakti*-oriented, emphasizing devotional worship and total surrender to the guru. This approach is sometimes combined with thaumaturgy and/or scriptural studies. Compared with the Christian movements, the Hindu innovations do not really present problems of authority relations since Malaysian Hinduism is highly decentralized, with control resting largely in the hands of the laymen. Nevertheless, these new movements have revitalized Hindu identity through active lay participation in simplified rituals that do not require specialist training.

As the second largest religious system in Malaysia, Buddhism–Taoism is mainly practised by the Chinese. Censuses taken between 1921 and 1970 show that the proportion of Buddhist–Taoist practitioners increased from 29 per cent to 34 per cent, but this increase actually reflects the rise in the Chinese proportion of the total population.[17] It does not reveal the increasing number of Chinese converts to Christianity and Islam in the post-independence period. Organizationally, Buddhism–Taoism is fractionated into numerous independent temples and shrines. However, many Mahayana Buddhists are members of the Malaysian Buddhist Association, while the Theravada Buddhists have yet to form a central body. Taoist temples are even more dispersed than the Buddhist groups, each being managed by an independent committee of worshippers. Similarly, Sikhism which is confined to the Sikh minority has no collective representation and is further factionalized along regional lines. Among the newer religions introduced into Malaysia from the 1950s onward, Baha'i can be considered the most established group with more than 50 Spiritual Assemblies spread throughout the Peninsula and its National Spiritual Assembly headquartered in Kuala Lumpur since 1964. The other new religious groups, ranging from the neo-Hindu organizations mentioned above to quasi-religious movements (such as Subud, Inner Peace Movement, Silva Mind Control), are more loosely organized and mainly centred in Kuala Lumpur. These newer alternatives tend to attract middle-class non-Malays who are dissatisfied with traditional religious practices.

In sum, the religious field among the non-Malays has widened since independence. Multiple participation in several non-Islamic alternatives is a growing trend among many non-Malays. Compared with Islam, however, the non-Islamic

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field is structurally less cohesive and lacks an integrated network that strengthens non-Malay ethnic bonds. However, this situation seems to be changing as recent mobilization among non-Muslim groups suggests the beginnings of an active resistance to perceived Malay-Muslim encroachments. In order to understand these developments, it is necessary to examine the organizational structure of Islam and its impact on the non-Islamic religious field.

The Islamic Imperative

Before independence, Islam was recognized as the official religion in the nine Malay states, but it enjoyed no special status in the Straits Settlements of Penang, Malacca and Singapore. After independence, Islam was made the official religion for the entire Federation including Penang and Malacca. However, there is no single head of the Muslim religion nor a national priesthood for the entire country. Each Malay ruler (sultan) remains the head of the Muslim religion in his home state, while the Paramount Ruler (*Yang Dipertuan Agong*) — elected by the Council of Rulers for a five-year term — continues as head of Islam in his own state, as well as Malacca, Penang, the Federal Territory, Sabah and Sarawak. He has no religious authority in the other states. Islamic bureaucracy in present-day Malaysia is maintained at two levels — the state and federal — with the federal authorities having little control over state religious affairs. In each state, religious decisions pertaining to Islam are made by the sultan who is advised by the Religious Council (*Majlis Ugama*). The highest state religious official is the Mufti who is appointed by the sultan and whose chief function is to issue *fatwa* or Islamic edicts. The daily administration of Islamic matters is handled by the State Religious Department while the *Shari'ah* court is responsible for the administration of Islamic law. However, *Shari'ah* law is not applicable to non-Muslims and is legally separate from the civil judiciary system.

Islamic bureaucracy at the federal level is confined mainly to the Federal Territory.[18] It is controlled by an autonomous Religious Council through the offices of the Federal Territory Religious Department. A National Council for Islamic Affairs is also located within the Federal Territory. This Council, headed by the Prime Minister, was formed in 1968 to co-ordinate the administration of Islamic affairs through the participation of representatives from each state.[19] Although the National Council cannot interfere directly with Islamic matters at the state level, it can in its advisory capacity exert limited influence on their course of development. Furthermore, the federal government can indirectly dictate religious policies through its control of funds for state religious developments. Federal attempts to centralize Islamic administration have contributed to the tensions between the sultans and government-appointed religious functionaries. Most of the sultans view their positions as religious heads as one of their remaining vestiges of traditional authority. They feel threatened by increasing federal encroachments on their limited sphere of influence. In the 1960s, federal attempts to standardize astronomical calculations for the beginning and end of *Ramadan* (the Muslim

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month of fasting) were met with opposition from various sultans.[20] In 1982, the Sultan of Johor refused to authorize the *Maulud* procession marking the Prophet Muhammad's birthday, claiming that it was unnecessary and thus openly demonstrating to the federal authorities his autonomy in making religious decisions. In 1983, he withdrew from the National Council for Islamic Affairs following disagreement with the federal authorities over the date of *Ramadan*. Furthermore, the position of the sultans has been strengthened as a result of the 1983 constitutional crisis,[21] so that federal efforts to establish direct control over state religious matters are stalled indefinitely.

Despite federal-state conflicts over Islamic administration, the intricate networks and vast bureaucracies that link Islam with secular authorities suggest that Islam is more than just a symbol of Malay ethnicity. Because of its direct access to state power, Islam has a commanding position over the other religions, none of which possesses such status. Although technically, Islamic jurisprudence is limited only to Muslims, in actuality actions taken to preserve these legal codes often affect the freedom of the non-Muslims. This is most evident in the short-lived attempt by the government to introduce a morals law. In December 1982, a religious committee was formed in the Prime Minister's Department to study the feasibility of drafting a law aimed at "safeguarding the individual's moral values regardless of race and religion".[22] Basically, this law is the civil equivalent of the Muslim *khalwat* law that proscribes close proximity between unmarried people of opposite sexes. For a long time, the question of whether a non-Muslim, caught in a compromising situation with a Muslim of the opposite sex, is liable to prosecution in a Muslim court was left unanswered. The implementation of a morals law would have circumvented this problem. However, the morals law did not materialize as a result of strong public criticism. The morals law was actually proposed as a supplement to the amended Penal and Criminal Codes that were legislated in December 1982 specifically to control religious dissent. These amendments provide the government with the power to fine or imprison individuals charged with instigating religious disturbances.[23] The real motive for these amendments is the government's growing concern for the increasing cases of Islamic dissidence. Because of their civil status, these amended laws are also applicable to the non-Muslims. Except for a short protest from the opposition Democratic Action Party against the broad applicability of these laws, the non-Muslim public paid little attention to them, having been distracted by the controversies surrounding the morals law. But until the end of 1983, no non-Muslim had been charged under these religious laws. The first offenders were four Muslims charged in a Trengganu court in October 1983 for acting as mosque officials without accredition from the state religious authorities.

In addition to these legal manipulations, non-Muslims have in recent years experienced the direct effects of various government actions aimed at reducing religious competition that threatens Islamic expansionism. This is most vividly seen in the controversies over land allocation for religious buildings. During the colonial era, these issues did not arise because the ethnically segregated groups erected

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religious buildings within the confines of their own communities. Furthermore, Islam had not achieved the political status that it has today. Even in the 1950s and 1960s, with rapid urbanization and desegregation of ethnic neighbourhoods, there were relatively few political obstacles to the erection of non-Muslim religious buildings. From the 1970s onward, when the Malays were vigorously asserting their ethnic identity through economic and religious programmes, non-Muslims faced greater difficulty in acquiring land for religious purposes. Hardly any proper churches and temples are found in the newer suburbs of Malaysian cities. In those areas, Christians worship in store-front churches or rented houses, while Buddhist-Taoists and Hindus maintain shrines of various sizes on street corners.[24] In early 1983, state governments throughout the country had even threatened to terminate what they perceived as the haphazard growth of shrines and temples, especially in the urban areas.[25] Expansion of non-Muslim religious buildings is now largely limited to those within the grounds of long established churches and temples. Some Christian leaders have explained these events as a reversal of the privileges they had enjoyed during the colonial period, with the Muslims now having the upper hand in gaining choice land for their mosques. But in early 1984, the Sultan of Selangor capitalized on this land issue to consolidate his position during the constitutional crisis. Having publicly expressed his concern over the absence of churches and temples in his state capital (Shah Alam), he was able to project an image of himself as an unprejudiced Muslim leader interested in the welfare of the non-Muslims.

Apart from restricting land for non-Muslim use, the government had in 1982 banned the distribution of *Alkitab*, the Malay version of the Bible imported from Indonesia. The state governments of Kelantan and Trengganu had earlier imposed such a ban as a reaction to various terminologies in the *Alkitab*, thus setting a precedent for the federal government to follow. Many Christians became alarmed at this ban since they anticipate Malay to be used as the major medium of scriptural instruction in the future.[26] Negotiations for the lifting of the ban resulted in a compromise, with the government agreeing to the use of *Alkitab* only within church grounds and to limited orders from Indonesia. In recent years, the government also imposed a ban on bibles provided by the Gideon's Society in all Malaysian hotels. This action was probably initiated to enhance the government's image as the legitimate protector of Islamic interests in Malaysia, especially in reaction to a growing force within Islam that threatens the Muslim establishment. To understand how this reaction has affected the non-Muslims, we will next examine recent developments in Malaysian Islam and their impact on the other religions.

Islamic Revivalism and Non-Muslim Reactions

Muslims in Malaysia are predominantly Sunnis, with Islamic jurisprudence following closely the tenets of the Shafii school. Despite this uniformity in doctrinal adherence, Malaysian Islam has not always been free of disagreements

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and disputes. The conflict between *Kaum Muda* (Young Faction) and *Kaum Tua* (Old Faction) in the first quarter of the twentieth century reveals that divisions within Malaysian Islam are often related to class and ideological differences in Malay society. Leading members of *Kaum Muda* were urban-based religious scholars and well-to-do merchants who, inspired by reformist ideas from the Middle East, criticized vociferously the position of the Muslim traditionalists and bureaucrats in Malay society.[27] Almost fifty years later, the same scenario is repeated but with significant differences in public style and political orientation. The current wave of Islamic revivalism, popularly known as the *dakwah* movement,[28] has attracted mainly Malay urbanites, students and middle class professionals. Inspired by the Iranian Revolution and the activities of Muslim missionaries from the Indian subcontinent, the participants reject Western materialism and dress in an ostentatious manner (with turbans, robes and veils) to assert the purity of their beliefs and lifestyle. However, the *dakwah* movement is not a unified one and comprises several independent groups.

The largest and most publicized *dakwah* group is the Malaysian Muslim Youth Movement (*Angkatan Belia Islam Malaysia*, ABIM) which in the late 1970s had a following of more than 30,000 members. Although founded in 1971 by a group of Malay university students, ABIM was, in essence, a well organized "personality cult" centring on the charisma of Anwar Ibrahim, a former student leader and political detainee, now in his thirties. ABIM stresses a "rational" approach to Islam and is concerned with social issues ranging from moral corruption to race relations. It does not totally reject Western materialism but maintains the superiority of Islamic values. The combination of ABIM's materialistic interests and spiritual goals has resulted in a somewhat glib programme of socio-religious reform that is largely rhetorical in content. Since early 1982, ABIM's visibility has declined, following Anwar's co-optation into the *Barisan Nasional* government. Anwar has claimed in public interviews that he joined the *Barisan Nasional* because he considered the present government under Dr Mahathir Mohamad to be reform-minded, tolerant of criticism, and concerned about the problem of Islamization in Malaysia. In 1983, Anwar was appointed Minister of Youth, Sports and Culture.[29] In 1984, he was re-elected President of UMNO Youth and was given a new portfolio as Minister of Agriculture.

Unlike ABIM, *Darul Arqam* is a more fundamentalist movement that emphasizes the correctness of daily living in strict accord with Islamic principles. Under the leadership of Ustaz Ashaari, many members of *Darul Arqam* live in a commune on the outskirts of Kuala Lumpur. They are obliged to dress in a distinct Arabic style and conform to rules of communal sharing, such as eating their meals from a common basket (*talam*). In distancing itself from secular society, *Darul Arqam* has attempted vigorously to build up an independent socio-economic system whereby members attempt to run their own agricultural, manufacturing and trading programmes. *Darul Arqam* also runs a hospital staffed by members with Western medical training. These activities emphasize the movement's quest for achieving self-sufficiency, unlike ABIM which is more concerned with instituting immediate Islamic reforms in the country.

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A lesser known movement is *Jamaah Tabligh* which is similar in orientation to *Darul Arqam* but it is not commune-based. Its cell-like structure connected to particular mosques allows its diffused membership to expand and contract according to the circumstances. Originally founded in India, *Jamaah Tabligh* has attracted not only Indian Muslims but also many urban Malay youths. Numerous smaller movements that have not received as much publicity as ABIM and *Darul Arqam*, such as *Crypto*, *Qadiani*, *Ashabul Kahfi*, *Taslim*, *Matahari* and *Ratib Quat*, abound in various parts of the Peninsula. Most of these groups are centred around a certain leader of local standing and are reminiscent of the Sufi-inspired *tarikat* (mystical cults)described by al-Attas.[30] In actuality, these groups differ in purpose from ABIM and *Darul Arqam* since their members are more concerned with mystical and martial practices. However, they have been perceived by the government and various people as a type of heretical Islam because they tend to espouse "deviationist" doctrines. For example, *Matahari* members believe that the *haj* can be performed on Malaysia's Penang island and not necessarily in Mecca.

Although labelled by outsiders as a radical fundamentalist movement, the *dakwah* actually reflects a deep-seated dilemma among Muslims in a modernizing society that hinges on an elusive *rapprochement* between Western secularism and Islamic teachings. Each of these revivalist groups condemns what it perceives as the corrupt influences of Western materialism but at the same time is dependent to varying degrees on the products offered by the Western world. For example, ABIM treats English as an important aspect of the curriculum in its school (*Yayasan Anda*).[31] It is taught as a compulsory subject for students enrolled in the school's pre-university classes. Ironically, *Darul Arqam* members do not always travel on foot but in their communally-owned motor vehicles. This dilemma is also evident in the disparate responses among *dakwah* members to various political and cultural issues. Politically, there is a wide spectrum of opinion on the acceptance of a secular government, ranging from outright rejection to implicit compromise. For instance, ABIM is more open to dialogue with the government than *Darul Arqam*. Culturally, there are diverse attitudes towards the rules of dressing, daily conduct, and relations with non-Muslims. ABIM does not insist that its members wear robes and veils, unlike *Darul Arqam* members who are required to dress in a specific fashion. ABIM is eager to reach some understanding with non-Malays and non-Muslims. On the other hand, *Darul Arqam* has shown little interest in establishing rapport with non-Malays and non-Muslims.

These differences have resulted in occasional conflicts between the *dakwah* groups. *Darul Arqam*, for instance, has criticized ABIM for keeping minutes of meetings which it regards as a Western practice. The *dakwah* movement is further weakened and fragmented by the cult-like structure of each group centring on the personal authority of individual leaders. The centralization of power in an individual leader implies that the growth of a *dakwah* group is dependent upon his immediate presence, without which it fails to function effectively, as in the case of ABIM following Anwar Ibrahim's cross-over into the *Barisan Nasional*

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government. Alternatively, each leader is so concerned with guarding his sphere of authority that internal differences are readily exploited by rivals and other external agents. For example, the *Darul Arqam* leadership has split up over the issue of government aid to the commune. Ustaz Ashaari has firmly rejected government aid since it contradicts his policy of economic self-sufficiency, whereas some of his subordinates are more willing to talk terms with government officials. These differences have caused much tension in the commune.[32]

The government has viewed the growth of the *dakwah* movement as a threat to its authority, especially in the latter's criticism of Malaysia's development programmes. It also fears the penetration of the *dakwah* movement by left-wing elements intent on spreading dissension in the Malay-Muslim community. Two recent events involving Muslim fundamentalists have also increased the government's vigilance against Islamic revivalist groups. In August 1978, five Muslim fundamentalists were surprised and attacked by a group of Indian guards while attempting to destroy idols in a Hindu temple in Kerling, about 50 kilometres north of Kuala Lumpur. Four of the five temple desecrators were killed.[33] A more serious incident occurred in October 1980 when a group of armed fanatics attacked the Batu Pahat police station in Johor, wounding seriously several police officers and civilians. Eight of the assailants were eventually shot dead and the rest arrested. They were identified as followers of two Indochinese Muslim refugees who had settled in Malaysia.[34] The government has utilized its legal and Islamic agencies to stem the tide of the *dakwah* movement. By passing new religious laws, granting Islamic legal administrators (*kadi*) more powers, promoting state-sponsored *dakwah* programmes, and establishing a special religious watchdog committee, the government has to some extent checked the rapid spread of dissident *dakwah*.

The non-Muslims have undoubtedly become apprehensive of the *dakwah* movement, especially following the religious violence of 1978 and 1980. They have not openly condemned the *dakwah* movement, however, since they feel somewhat intimidated by the dominant position of Islam, and that appropriate actions should come from government quarters. On the other hand, they do not necessarily perceive the government's Islamization programme as a subtle method of *dakwah* control but as part of an undifferentiated trend of Islamic activism. Fear of being overwhelmed by increased Muslim activities has alerted many non-Muslims to reviewing their religious defences. In other words, the spiralling effects of religious conflict within the Muslim community have indirectly contributed to the non-Muslims' heightened awareness of their rights. At the local level, many non-Muslims are more concerned with the immediate protection of their places of worship, especially the Hindus, some of whom have installed iron gates around their shrines and posted more guards in the temples. At the national level, there is a general sense of urgency to meet the Islamic challenge through the formation of a unified non-Muslim front. The organizers of this front give priority to confronting the government on issues relating to non-Muslim rights (such as access to land for religious use and non-Muslim education in schools) rather than to questioning *dakwah* activities. They do not consider *dakwah* groups to be an immediate threat

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since many of them lack government patronage or legal recognition.[35] Their concern with the encroachment of government religious policies on non-Muslim freedom has resulted in the establishment of a non-Muslim religious pressure group, an event that is unprecedented in modern Malaysian history. The implications of the emergence of this group are examined next.

Religious Mobilization Among Non-Muslims

The first inter-religious organization comprising non-Muslims, known officially as the Malaysian Consultative Council of Buddhism, Christianity, Hinduism and Sikhism (MCCBCHS), was formally established in August 1983. Representatives of the major non-Muslim religions had been meeting informally between the late 1970s and early 1980s to discuss mutual problems and other national issues affecting their positions. Ironically, these religious leaders had initially met as representatives on the government-sponsored National Unity Board (now a division in the Prime Minister's Department) which provided an appropriate milieu for airing their grievances. Later, many of them felt that their representation on the National Unity Board was not effective enough to influence government religious policy. They began to meet outside the National Unity Board to consolidate their positions as a group, which eventually culminated in the formation of the MCCBCHS. Although the structure of the organization is multi-religious, its present leadership is dominated by the Catholic clergy.[36] This does not imply that the organization is Catholic-oriented but that compared with other non-Muslim religious organizations, the highly centralized structure of the Catholic church provides a readily available source of managerial expertise.

The first public event organized by the MCCBCHS was a one-day national seminar on "Common Religious Values for Nation-Building" held in Kuala Lumpur on 7 April 1984. Close to a thousand people — largely non-Muslims and a few Muslims — attended the seminar which featured Muslim and non-Muslim speakers on the problem of inter-religious harmony in Malaysia. Two eminent public figures opened the seminar: former Prime Minister Tunku Abdul Rahman delivered the keynote address, and Tan Sri Dr Tan Chee Khoon, the former opposition leader, spoke on the constitutional aspects of religious freedom in Malaysia. The political achievements of the seminar were minimal, considering the organizers' limited commitments to political action, but on a symbolic level its impact can be discerned from two angles. Firstly, the seminar had accomplished much in translating the private grievances of many non-Muslims into a public forum. The presence of two retired but outspoken politicians at the seminar had added a touch of respectability to its subtle criticism of government religious policy.[37] Interestingly, the Muslim representatives at the seminar were non-Malays (an Arab and an Australian convert), suggesting the symbolic arrangements under which a religious confrontation is permitted. Secondly, the seminar was conducted entirely in English and attracted mainly English-educated, middle-class individuals. With hardly any grass-roots representation, the seminar has come to

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symbolize the religious disaffection of the middle class whose monopolization of the MCCBCHS is grounded in the leadership of the urban clergy and professionals. The MCCBCHS seminar marked the beginning of a national effort by non-Muslims to monitor and meet the challenge of increased Islamization in the country.

Despite its public image as a united non-Muslim body, the MCCBCHS comprises only certain factions of the major non-Muslim religions in Malaysia. Among the Christians in this organization, only the Catholics and the liberal Protestant churches are represented, without the participation of the evangelical and fundamentalist denominations. The Buddhist members are largely those from the Mahayana tradition, as represented by the Malaysian Buddhist Association, with the Theravada Buddhists remaining in the background. Hindu participation in the MCCBCHS is confined to the Malaysian Hindu Sangam, while the *Sri Maha Mariyamman Devastanam*, the wealthiest and a somewhat influential Hindu body, is unrepresented. Similarly, Sikh interests are represented by the *Khalsa Diwan Selangor*, a Malwa-controlled body that does not include the membership of the Mahja Sikhs. The numerous Taoist temples and syncretic Chinese sects have yet to be invited as members. Herein lies the problem of "informed consensus" that may surface in the future. Although the government has legitimated the standing of the MCCBCHS, its status as a non-Muslim interest group may not be fully recognized by the unrepresented non-Muslim factions. In other words, negotiations between the government and the MCCBCHS may be perceived by the other non-Muslim factions as an affair that does not benefit them. Unless the MCCBCHS is able to expand its front to accommodate the other non-Muslim groups, its accomplishments may be limited by opposition from within the non-Muslim religious field. Alternatively, other non-Muslim bodies may be formed which make representative claims, thus fragmenting the non-Muslim religious field into a mosaic of competing interest groups.

Conclusion

In the years following independence, religious mobilization in Malaysia was largely a Muslim affair. Islamic organizations that developed with government support became important bases for Malay ethnic assertion. Despite political differences between UMNO and PAS, Muslim sectarian differences have been minimal, and there is a relatively strong sense of Islamic unity among the Malays. Islam continues to comprise the major line of religious demarcation between the Malays and non-Malays. There is greater diversity in religious affiliations among the non-Malays, implying that non-Muslim integration is harder to achieve and maintain than Malay-Muslim solidarity. Malaysian Christianity and Buddhism are further fractionated into denominations and sects, while Hinduism and Taoism lack centralized structures. Given these conditions, Islamic hegemony is inevitable, but within this sphere of Islamic domination lies the seeds of a growing non-Muslim opposition. It is only in recent years that this opposition has become more

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pronounced, especially in the wake of Islamic revivalism, violence and other "excesses". Non-Muslim mobilization has assumed the form of a public movement that is essentially a temporary alliance of several non-Muslim groups. Lacking a political base, this alliance can only dissent surreptitiously to avoid direct confrontation with the Islamic authorities.

The future of Muslim/non-Muslim relations in Malaysia is dependent upon developments in both the Islamic and non-Islamic fields. Within the former, Islamic revivalism seems to have passed its zenith. The co-optation of Anwar Ibrahim into UMNO in 1982 and the break-up of PAS in 1983 have weakened Islamic opposition to the government. Government propaganda and the implementation of austere religious laws have also deterred the indiscriminate spread of Islamic fundamentalism. These events may have attenuated non-Muslim fears of Islamic fanaticism, but have not totally removed their distrust of government-sponsored Islamic programmes. Unlike the Malays, the non-Malays have not consistently asserted their ethnicity through religious symbols. However, the formation of the MCCBCHS may be considered a vital first attempt at raising non-Malay ethnic consciousness, individually and collectively, in connection with issues concerning the deprivation of religious freedom. The ethnic issues of the late 1960s and early 1970s revolved around the question of Malay social and political privileges and their impact on the non-Malays. The religious issues of the 1980s are derived from the continuing non-Malay concern about Malay political power that is manifested in the Islamic field. While non-Malays have made few political gains in the 1960s and 1970s, many have learned from their past experiences that these volatile issues require a "soft" approach. Consequently, the religious issues of the 1980s will not contain the same explosive mixture as in the issues of the two past decades, but will surface in a more subdued form.

NOTES AND REFERENCES

1. Malaysia in this paper refers to Peninsular or West Malaysia where the Malays form 55.3 per cent of the population, the Chinese 33.8 per cent, the Indians 10.2 per cent, and Others (Eurasians, Europeans, aborigines) 0.7 per cent (*1980 Population and Housing Census of Malaysia*). The East Malaysian states of Sabah and Sarawak are not dealt with here.
2. These statistics were obtained from the 1970 Malaysian census, as detailed breakdowns from the 1980 census are not yet available. For further statistical analyses of religious trends in West Malaysia, see Manjit S. Sidhu and Gavin W. Jones, *Population Dynamics in a Plural Society: Peninsular Malaysia* (Kuala Lumpur: UMCB Publications, 1981), pp. 233–60.
3. For classic statements on Indian influences in Southeast Asia, see George Coedes, *The Indianized States of Southeast Asia* (Honolulu: University of Hawaii Press, 1968); Paul Wheatley, *The Golden Khersonese* (Kuala Lumpur: University of Malaya Press, 1961); and Paul Wheatley, *Impressions of the Malay Peninsula in Ancient Times* (Singapore: Eastern Universities Press, 1964).
4. The establishment of Islam on the Malay Peninsula has been well documented. See S.Q. Fatimi, *Islam Comes to Malaysia* (Singapore: Malaysian Sociological Research Institute, 1963); H.J.

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DeGraaf, "Southeast Asian Islam to the Eighteenth Century", in *The Cambridge History of Islam, Vol. 2*, edited by P.M. Holt et al. (Cambridge: Cambridge University Press. 1970), pp. 123–55; M.A.P. Meilink-Roelofsz, "Trade and Islam in the Malay-Indonesian Archipelago Prior to the Arrival of the Europeans", in *Islam and the Trade of Asia*, edited by D.S. Richards (Oxford: Bruno Cassirer, 1970), pp. 137–59.

5. Between 1822 and 1875, Christian missionaries from England and the United States made strenuous efforts to convert the Malays but failed because of at least two reasons: the missionaries' attempts at conversion through the use of scriptural texts were futile since many Malays were illiterate, and by 1843 many missionaries based in Malaya had moved to Hong Kong in preparation for evangelical work in China. See Marmaduke Dodsworth, "The Assimilation of Christianity by the Malays of the Malay Peninsula" (M.A. thesis, University of Chicago, 1928); and Joseph Haines, "A History of Protestant Missions in Malaya During the 19th Century, 1815–1881" (Th.D. dissertation, Princeton Theological Seminary, 1962).
6. For further details on the politicization of Islam during this period, see William Roff, *The Origins of Malay Nationalism* (New Haven: Yale University Press, 1967); and John Funston, *Malay Politics in Malaysia* (Kuala Lumpur: Heinemann Asia, 1980)
7. See Gordon P. Means, "Public Policy Toward Religion in Malaysia", *Pacific Affairs*, no. 3 (Fall 1978): 384–405; Ahmad Ibrahim, *Islamic Law in Malaya* (Singapore: Malaysian Sociological Research Institute, 1965), pp. 315–66; and A.M.M. Mackeen, *Contemporary Islamic Legal Organization in Malaya*, Monograph no. 13 (Yale University Southeast Asian Studies, 1969), pp. 45–57.
8. The problems of Islamic conversion in Malaysia have been discussed at length by Judith A. Nagata, "The Chinese Muslims of Malaysia: New Malays or New Associates ? A Problem of Religion and Ethnicity", in *The Past in Southeast Asia's Present*, edited by G.P. Means (Ottawa: Canadian Council for Southeast Asian Studies, 1978): 102–14; and Lim Hin Fui, "Ambiguity of Identity: The Case of Muslim Converts in West Malaysia", *Ilmu Masyarakat*, no. 4 (December 1983): 39–47.
9. Lim, op.cit., p. 44.
10. Some Indian Muslims' names are hyphenated by the designation "son of" or "daughter of" on their identity cards, instead of the Malay designation "bin" or "binti". Nevertheless, they have claimed *bumiputra* (son of the soil) status. See Shaik Osman Majid, "Where Do the Indian Muslims Stand ?" *Sunday Mail*, 26 April, 1981.
11. See the reports in the *Star* and the *New Straits Times*, 17 December, 1980.
12. A description and analysis of some non-Muslim renewals and innovations have been provided by: Raymond L.M. Lee, "Sai Baba, Salvation and Syncretism: Religious Change in a Hindu Movement in Urban Malaysia", *Contributions to Indian Sociology* 16, no. 1 (1982): 125–40; S.E. Ackerman and Raymond L.M. Lee, "Pray to the Heavenly Father: A Chinese New Religion in Malaysia", *Numen* 29, no. 1 (1982): 62–77; and S.E. Ackerman, "Experimentation and Renewal Among Malaysian Christians: The Charismatic Movement in Kuala Lumpur and Petaling Jaya", *Southeast Asian Journal of Social Science* 12, no. 1 (1984): 35–48.
13. Detailed statistics on the Christian community based on the 1970 Malaysian census have been published in Duain Vierow and Jack M. Shelby, *Malaysian Christian Handbook* (Petaling Jaya: Gladsounds, 1979)
14. These figures were obtained from John D. Robb, "The Challenge of Church Growth" (A Report Prepared for the Chinese Annual Conference of the Methodist Church of Malaysia, November 1981), p. 11.
15. Sidhu and Jones, op. cit., p. 255. According to the 1970 census, the ethnic breakdown of the Christian community is 50 per cent Chinese, 35 per cent Indians and 15 per cent Others (Eurasians, Europeans, aborigines).
16. The implications of these developments for Indian ethnicity have been discussed by Raymond L. M. Lee and R. Rajoo, "Sanskritization and Indian Ethnicity in Malaysia", Unpublished manuscript, 1984.

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17. Sidhu and Jones, op. cit., p. 254.
18. The Federal Territory was officially established in February 1974, and includes the city of Kuala Lumpur and its surrounding areas. Since early 1984, the Federal Territory has been expanded to include Janda Baik and its environs (in the state of Pahang) and Labuan Island (off the coast of Sabah).
19. Two states, Kedah and Pahang, have refused to join this Council.
20. David J. Baker, "Local Muslim Organizations and National Politics in Malaysia" (Ph.D. dissertation, University of California, Berkeley, 1973), p. 175.
21. The Constitutional crisis occurred in late 1983 when the Prime Minister, Datuk Seri Dr Mahathir Mohamad, attempted to pass through Parliament two amendments to the Constitution that in effect would reduce the sanctioning power of the *Yang Dipertuan Agong*. This was perceived by the sultans and their allies as a move to increase the Prime Minister's power, thus triggering a crisis that was eventually resolved without the Prime Minister gaining anything substantial. On the other hand, the sultans emerged as important counterweights to the power of the executive. See Zakry Abadi, *Konflik Istana dan Parlimen* [*Conflict Between Palace and Parliament*] (Kuala Lumpur: Gatra Jaya, 1983).
22. *Star*, 12–14 December 1982.
23. Under these amended laws, the government is also able to impose stiffer penalties on Muslim offenders than under *Shari'ah* law. Offenders can be sentenced to a maximum of three years in jail (with a fine) by a civil court, whereas the sentence imposed by the *Shari'ah* court for similar cases is under six months in jail with a fine (cf. *Star*, 12 December 1982; and Means, op. cit., p. 392).
24 Shrines are actually common throughout Malaysia, but in the newer suburbs they appear to be the major places of worship for Buddhist-Taoist and Hindu devotees. There are a few scattered Chinese temples in the newer suburbs but they are located in rented houses.
25. *Sunday Star,* 16 January 1983. In actuality, the state governments were more concerned with the hindrances posed by these wayside shrines and temples to urban renewal projects. But their actions have been construed by the non-Muslim public as a form of religious oppression.
26. Already, many Christians are unhappy about the exclusion of bible studies from the school curriculum. Unlike Islam which is taught as a regular academic subject for Muslims, instructions in bible knowledge are only allowed outside school hours.
27. Roff, op.cit., pp. 56–91.
28. *Dakwah* is derived from the Arabic word *da'wa*, which literally means an invitation to become a Muslim. In Malaysia, *dakwah* has lost its missionary connotations since many people have associated the movement with religious extremism. For other references to the movement, see M. L. Lyon, "The Dakwah Movement in Malaysia," *Review of Indonesian and Malayan Affairs* 13, no. 2 (1979): 34–45; Clive S. Kessler, "Malaysia: Islamic Revivalism and Political Disaffection in a Divided Society", *Southeast Asian Chronicle*, no. 75 (October 1980): 3–11; Judith Nagata, "Religious Ideology and Social Change: The Islamic Revival in Malaysia", *Pacific Affairs* 53, no. 3 (Fall 1980): 405–39; Mohammad Abu Bakar, "Islamic Revivalism and the Political Process in Malaysia", *Asian Survey* 21, no. 10 (October 1981): 1040–59; Judith Nagata, "Islamic Revival and the Problem of Legitimacy Among Rural Religious Elites in Malaysia", *Man* 17, no. 1 (1982): 42–57; Simon Barraclough, "Managing the Challenges of Islamic Revival in Malaysia", *Asian Survey* 23, no. 8 (August 1983): 958–75; and Judith Nagata, *The Reflowering of Malaysian Islam* (Vancouver, B.C.: University of British Columbia Press, 1984).
29. At the time of his absorption into the government, Anwar revealed that he had been a non-active UMNO member since 1966. He claimed that his father, a high ranking civil servant, had registered his entire family as UMNO members. Because of his UMNO membership, there was no technical barrier to his recruitment into the government.
30. Syed Naguib al-Attas, *Some Aspects of Sufism as Understood and Practised Among the Malays* (Singapore: Malaysian Sociological Research Institute, 1963).
31. Personal communication with Anwar Ibrahim, 30 July 1979.
32. Personal communication with Yusof Suratman, 13 November 1979.

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33. These Muslim fundamentalists were from a small group of ten members based in Kajang, about 30 kilometres south of Kuala Lumpur (personal communication with Anwar Ibrahim, 30 July 1979). They had been advised by their leader that the destruction of 100 idols would guarantee them a passage to heaven (*Far Eastern Economic Review*, 1 September 1978).
34. For a journalistic but detailed account of this event, see Kamal Amir, *Tragedi Batu Pahat* (Kuala Lumpur: Utusan Publications, 1980).
35. See the interview with Rev. Paul Tan, "Non-Muslims Should Stand Up For Their Rights" (*Far Eastern Economic Review*, 3 March 1983).
36. The president is the former Catholic Archbishop of Malaysia and the secretary is a Jesuit priest. The secretariat of the Council is based in the Catholic headquarters in Kuala Lumpur.
37. Although both Tunku Abdul Rahman and Tan Sri Dr Tan Chee Khoon are no longer active in politics, each writes a regular column in the *Star*. Both are considered outspoken critics of the government and enjoy a large readership. Because of their advanced ages and political contributions to the country, both are regarded by many Malaysians as the "voices of the public conscience".

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A Note on the Protest Vote in Malay Politics: The Case of the 1974 General Election in Trengganu

SIMON BARRACLOUGH

The "protest vote" is a slippery concept.[1] For a start, it is difficult to determine what percentage of a given poll represents such a vote. In the Malaysian case, the opportunities for even attempting an approximate assessment of the size of the protest vote in any particular election have been limited. Nor have any opinion polls been taken to gauge why voters supported a particular party. It is, therefore, only possible to speculate upon the significance of the protest vote on the rare occasions when political circumstances substantially alter the normal pattern of government and opposition. The 1974 general election in Trengganu provided such an opportunity, since the two normal rivals for power in that state had aligned themselves in a coalition. This created an opposition void to be filled by a party which had never before contested on a wide scale in that state. These circumstances are not unlike a solar eclipse. Just as the moon allows the sun's corona to be more clearly discerned, the realignment with the government of a party usually in opposition provided conditions which allow the observer to speculate on the significance of an estimate of the protest vote.

Although similar conditions applied in other states where the *Parti Islam Se Malaysia* (PAS) and the United Malays National Organization (UMNO) had previously been rivals, the case of Trengganu has been chosen for closer examination. This is because of the magnitude of the vote which the *Partai Sosialis Rakyat Malaya* (PSRM) recorded — a phenomenon which surprised many observers — and the fact that the leaders of the ruling coalition dismissed this loss of electoral support as a mere protest vote.

Another problem with the protest vote is that it may mean different things to the opposing parties. The ruling party may find it useful to invoke the notion of the "protest vote" to detract from the success of an adversary. It can be argued that there is invariably a "blind" protest vote against the government but that such a vote in no way represents specific or long-term support for the particular opposition party concerned. On the other hand, an opposition party usually plays down the importance of the protest vote or argues that the size of the protest vote is an indication of its successful mobilization of popular grievances.

It would appear that the only Malaysian general election in which the protest vote is readily identifiable occurred in 1974. Following the 1969 general election and communal violence which had led to the temporary breakdown of the political system, the leadership of UMNO negotiated a series of coalitions with former opposition parties with the aim of expanding and strengthening the trans-communal Alliance which had ruled Malaysia since independence.

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These coalitions were eventually formalized into the *Barisan Nasional* (BN) or National Front. Among the former opposition parties which had joined the BN was PAS (formerly known as the Pan Malayan Islamic Party or PMIP). Since independence, PAS had been the ruling Alliance's most serious Malay adversary.

At the 1959 general election, PAS had captured the predominantly Malay states of Kelantan and Trengganu. Although Trengganu had subsequently returned to Alliance rule, Kelantan remained a principal stronghold of PAS. In 1973, PAS agreed to a coalition with UMNO, ostensibly in the interests of Malay unity and national harmony.

Prior to this coalition, PAS had promoted itself as a radical Islamic party and had staunchly championed the Malay communal position. It had accused UMNO of betraying Malay interests by its accommodative attitude towards the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC), UMNO's partners in the Alliance. It also berated UMNO for failing to develop an administration based upon Islamic values. Since PAS' electoral following was essentially rural, the party also paid special attention to articulating the grievances of the poorer rural Malays. PAS was regarded by many scholars of Malaysian politics as a hard-line Malay-Islamic party deriving its support from Malay communal fears of the non-Malay communities.[2]

However, on the basis of his detailed field-work in Kelantan, Clive Kessler argued that:

> Rather than being a manifestation of religious fanaticism, Malay racialism, and peasant traditionalism, the PMIP served as a religiously informed popular movement for the defence of peasant interests.[3]

In short, PAS expressed class antagonisms within Malay society.

Given the disagreement in explaining how PAS consistently attracted a significant percentage of the Malay vote in the East Coast states as well as in Kedah and Perlis, it is worthwhile to seek explanations for the nature of the Malay vote in the extraordinary case of the 1974 general election in Trengganu. The 1974 general election was extraordinary not only because it was the only general elections at which PAS had not stood in opposition to the ruling coalition, but also because it recorded an unexpected and substantial vote for the *Partai Sosialis Rakyat Malaya*.[4]

In previous general elections in Trengganu, PAS had been the principal recipient of the anti-coalition vote. However, in 1974, when PAS contested as a component of the ruling *Barisan Nasional* coalition, the PSRM announced that it would field candidates in all the seats in Trengganu (both state and federal).

Organizationally, the PSRM was extremely weak, lacking both the finances and facilities of the incumbent BN. Many of its candidates, including Kassim Ahmad (who at that time was the President of PSRM), had been brought in from other states. The PSRM's electoral platform stressed the need for improving the

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economic lot of the people of Trengganu. Among the party's specific policies were land for the landless, the development of co-operatives for fishermen, the reduction of licence fees for hawkers and trishaw drivers, the establishment of an educational fund for the disadvantaged, and the abolition of the pension scheme for politicians.[5] Only fleeting mention was made of Islamic matters in the party's eleven-point electoral programme: item nine committed the party to "improve the religious schooling system and the administration of the *zakat-fitrah* [religious tax]".[6]

As can be seen from the following table, the PSRM recorded a significant vote at both the federal and state levels.

TABLE 1
PERCENTAGE VOTE OBTAINED BY THE PSRM IN TRENGGANU AT GENERAL ELECTIONS, 1969–1978

	Parliament	*State Assembly*
1969	—	0.7
1974	30.7	28.4
1978	3.6	7.2

Note: At the 1969 general election, the PSRM contested as *Partai Rakyat*.
SOURCE: Figures derived from Election Commission Reports.

The 1974 vote clearly represented an abberration since in both 1969 and 1978, when PAS was in opposition to the ruling coalition, the PSRM had not felt confident enough to mount a wide-scale electoral challenge in Trengganu. Indeed, in 1969 it had not fielded a single candidate at the national level. Assuming that the votes which accrued to the PSRM in 1974 came largely from disgruntled voters who would normally have voted for PAS,[7] how can such a large drift of votes away from PAS be explained?

Communalism[8] had been of little significance in Trengganu, the population of which is more than 90 per cent Malay in ethnic composition. The PSRM had not raised communal issues. Indeed, although it has been essentially Malay in composition it had always publicly espoused a "non-communal" approach to politics, arguing that:

> Malaya is a country composed of many races and the unity of all communal groups is a necessary precondition for achieving the aims of the people's struggle.[9]

Moreover, in the period following the 1969 intercommunal riots and the period of the National Operations Council rule, the Federal Government had, in

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both symbolic and substantive terms, reinforced Malay political primacy. By 1974, the Malays were, therefore, no longer on the defensive in terms of communal politics.

Nor does a purely "religious" vote against the BN seem plausible. Trengganu is considered to be one of Malaysia's strongly Islamic states. It is unlikely that those dissatisfied with the BN on religious grounds would support the PSRM. After all, the latter had been branded as crypto-communist by the ruling coalition and a number of its members detained under the Internal Security Act for allegedly helping the communist cause. Moreover, socialism as an ideology had been vigorously attacked by PAS as alien, atheistic and un-Islamic.[10] As we have seen, the PSRM did not seek to use religion as a basis for its electoral appeal. On the contrary, the BN had tried to use religion to discredit the PSRM and had distributed copies of a poem by Kassim Ahmad in which he was alleged to have shown his atheistic inclinations by writing that Allah was dead.[11]

There does not appear to have been a single dominant issue, such as a new tax or scandal, which would have motivated voters to change their usual party loyalties. Nor does the strong PSRM showing appear to have been based upon the personal following of the candidates, although Kassim Ahmad did enjoy considerable personal popularity, despite his Kedah origins.

There is the possibility that disgruntled PAS voters turned to the PSRM to register their disapproval of the party's decision to join the BN coalition. However, other channels existed for an anti-PAS gesture without voting for a socialist party which had been portrayed as anti-Islamic. Dissatisfied voters could have boycotted the polls. In fact, there was a decrease in voter turn-out at the 1974 elections in Trengganu compared to the 1969 figures, but it was relatively small. Approximately 5 per cent fewer enrolled electors voted at the state level, and 10 per cent fewer at the parliamentary polls.[12] Another form of protest might have been to vote for independents — especially where they were PAS rebels opposed to their party's coalition with the BN. Yet, in only four state seats out of the ten in which independents stood did an independent poll more than the PSRM. At the federal level, no independent out-polled a PSRM candidate. It is therefore not unreasonable to conclude that voters unhappy with the ruling coalition were not averse to expressing their protest through the PSRM.

A similar phenomenon was observable in neighbouring Kelantan, where the decision of PAS to form a coalition with UMNO had eliminated structured opposition in the state. Yet, a hastily-assembled group of independents styling themselves the *Barisan Bebas* (Independent Front) were able to capture 25.1 per cent of the parliamentary, and 23.5 per cent of the State Assembly vote. It is reasonable to assume that, as in Trengganu, a sizeable proportion of Kelantanese voters had chosen not to endorse PAS' decision to form a coalition and had used the Independent Front to censure the party. On the other hand, such voters might have been accustomed to delivering a dissenting vote through any party standing against the ruling coalition, regardless of its policies and ideology.

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Concluding Observations

While in the case of Trengganu it is not possible to suggest an exact percentage for the protest vote in the 1974 elections, the extraordinary performance of the PSRM suggests that a sizeable percentage of its electoral support was derived from an anti-BN protest vote. This vote was most probably exacerbated by a degree of resentment over the decision by PAS to join the BN coalition. In the absence of other plausible explanations, and on the assumption that Islamic stalwarts would not ordinarily change their vote to support a secular socialist party, it is also tempting to speculate that the protest vote in Trengganu was motivated by a longstanding resentment with the ruling coalition resulting from economic grievances. Such an explanation would support Clive Kessler's thesis regarding the class basis of support for PAS.

Presumably, the protest vote is not solely restricted to Malay voters or to particular states and will vary from constituency to constituency. Nevertheless, the fact remains that some voters, in their eagerness to record a negative vote against the government, are apparently willing to support opposition parties regardless of the ideological orientation of these parties. Such a phenomenon has significant ramifications for Malaysian electoral politics.

In general terms, the existence of the protest vote underscores the fact that oppositions, by their very nature, encourage the expression of grievances, and openly seek the role of representing protest over a variety of issues. It should, therefore, not be assumed that an opposition party's electoral following necessarily reflects the true level of popular support for the ideology, policies or personalities of that party.

Yet, the protest vote represents a ready source of support which may be tapped by an enterprising opposition. Indeed, this has been recognized by PAS in recent years and is reflected in its drive to win the votes of the Chinese who are disgruntled over official policies such as the New Economic Policy. PAS has gone so far as to claim that under a truly Islamic system there would be no discrimination against the legitimate interests of non-Muslims.[13] PAS shrewdly realizes that in some marginal constituencies the Chinese protest vote could well tip the electoral balance in its favour.

If the protest vote is indeed exacerbated by economic grievances, then the BN might well encounter a serious loss of support in the predominantly Malay states of Perlis, Kedah, Trengganu and Kelantan, as voters turn to PAS, not so much out of religious motives as from a desire to express their resentment at the faltering economy and perceived rural neglect.

These brief notes on the protest vote are admittedly speculative and overlook a number of possible alternative explanations for voting patterns. Nevertheless, they do draw attention to a phenomenon which, although neglected by students of Malaysian politics, is nevertheless a significant variable in the electoral process. A detailed Malaysia-wide examination of the phenomenon of the protest vote would undoubtedly prove a worthwhile exercise.

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1. By "protest vote" is meant a vote which is used in a negative sense as a symbolic gesture, signalling dissatisfaction with or disapproval of the ruling party rather than a genuine expression of support for the ideology, policies, or personalities of a particular opposition party.
2. For a discussion of such dismissive views of the basis of PAS' support, see Clive Kessler, "Islam, Society and Political Behaviour: Some Comparative Implications of the Malay Case", *The British Journal of Sociology* 23, no. 1 (1972): 41f.
3. Clive Kessler, *Islam and Politics in a Malay State: Kelantan 1838–1969* (Ithaca: Cornell University Press, 1978), p. 35.
4. The PSRM subsequently altered its official name to *Partai Sosialis Rakyat Malaysia.*
5. The PSRM's eleven-point election programme is reproduced in Appendix III of M. Kamlin, *History, Politics and Electioneering: The Case of Trengganu* (Kuala Lumpur: Jabatan Sejarah, Universiti Malaya), 1977.
6. Ibid.
7. This is also the view of Harold Crouch. See Harold Crouch, Lee Kam Hing, and Michael Ong, eds., *Malaysian Politics and the 1978 Election* (Kuala Lumpur: Oxford University Press, 1980), p. 9.
8. Communalism is used here to refer to the phenomenon of political or social action based upon competitive group solidarities where such groups derive that cohesion from relatively immutable factors such as language, race, and ethnic identity.
9. *Perlembagaan Partai Sosialis Rakyat Malaya* (1971), p. 3.
10. *Sosialisma dan Percanggahannya dengan Islam*, Penerbitan Jabatan Penerangan PAS, Negeri Kelantan, 1973.
11. M. Kamlin, op.cit., p. 44.
12. Figures calculated from Election Commission statistics.
13. *Star*, 19 September 1985.

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BOOK REVIEWS

Technological Leap: Malaysian Industry in Transition. By Fong Chan Onn. Oxford University Press, Singapore, 1986. Pp. 230 + xx.

Technological Leap is a book for its time. In the very first page, the reader is given a provocative quotation from the Deputy Prime Minister of Malaysia that "Malaysia now realises that a serious move towards industrialization requires going straight into the technological era as the step-by-step approach of yesterday will not do". In the last few years, the Malaysian Government has been engaged in a major rethink of its industrial strategy. The manufacturing sector is, certainly, in transition. This book, by one of Malaysia's most prolific and senior academic economists, examines perhaps the most critical economic policy issues facing the country in the 1980s.

Malaysian industry grew very rapidly in the 1970s. Like its neighbours, it began to take manufactured exports seriously. Drawing on the country's good basic infrastructure and established entrepreneurial base, a range of policy initiatives — principally, but not only, the establishment of Free Trade Zones — resulted in spectacular export growth. In just over a decade, the export sector was transformed from one which relied predominantly on primary commodity exports to a situation where Malaysia emerged as a significant exporter of manufactures. After a decade or so of rapid growth, it was recognized that this strategy had made a major contribution to employment generation. But rising real wages, and the expiry of attractive fiscal incentive packages for several large firms, prompted a revaluation of manufacturing policy. In important respects, these labour-absorbing manufacturing activities did not provide the basis for sustained industrialization. By the early 1980s, it was clear that the country had to begin to move "up-market", but it was less clear how and in what direction the new policy initiatives should foster continuing rapid industrial growth.

This book is divided into three main parts. The first consists of a brief introductory chapter, followed by an essentially methodological chapter examining the concept and measurement of "technology", and a useful overview of Malaysian industrialization (chapters 2 and 3). Next, in chapters 4 to 8, are a series of industry case studies, analysing electronics and electrical appliances, textiles, petrochemicals and plastics, iron and steel, and veneer and plywood. The final part, chapter 9, summarizes the main findings and considers the "prospects for the technologised leap".

The core of the book is contained in the second part dealing with the industry case studies. Although the focus of these chapters inevitably varies somewhat, depending upon the importance of industry-specific factors, the underlying theme is clear. The author is concerned about technology levels in Malaysian industry and, in order to demonstrate the importance of technology progress, provides detailed comparisons between Malaysian and Japanese firms, based on an extensive survey of firms in Peninsular Malaysia. The results of

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this comparison are informative, although perhaps not altogether surprising. Total factor productivity of Japanese firms exceeds that of Malaysian firms by a factor of from two (in the case of electronics) to ten (iron and steel). Capital-labour ratios are between three times (electronics, petrochemicals) and five times (garments, plastics) higher in Japan. In the case of labour productivity, the order of magnitude ranges from 2½ (downstream petrochemicals) to 16 (garments).

These very substantial differences, and the fact that Malaysia is now moving out of labour-intensive activities, lie at the heart of Dr Fong's analysis. Thus far, he argues, Malaysian industrial progress has not been seriously impeded by competition from industrially more advanced nations. But, to quote him, ". . . by the end of the decade, as it progresses further along the path of industrialization, it will have to compete directly with the NICs and Japan. If its technology is not dramatically upgraded, it will be unable to compete against these countries" (p. 187).

In addition to the main theme of technology differences, the author raises other interesting issues in Malaysia's industrialization. In the case of textiles, for example, he observes that export quotas (in OECD countries) for Malaysia have rarely been a binding constraint, since in many cases local firms have failed to fill their quotas. The author's examination of technology transfer issues is also instructive, especially in the chapter on electronics, where details on costs and channels are provided. Moreover, in each of the industry chapters there is useful background information on the evolution and structure of various manufacturing activities.

This book is therefore both timely and informative. But it — or any other single volume — cannot be the last word on the subject. What Dr Fong has done, very successfully, is to place these issues on the policy agenda. As the policy debate unfolds, the reader might require firmer guidance from the author and other Malaysian economists. Dr Fong assembles all the standard tools of economic analysis in this study, but one senses a certain ambivalence in his attitude towards the desirability of a strong push for heavy industry. Frequently, he refers to the strategy as "bold but risky". Understandably, he has no wish to walk into a political mine-field, but one wonders what his view of the controversial Proton Saga is, not to mention other large, capital-intensive projects. In the past, Malaysia's open economic policies have served the country well. The country's second round of import substitution threatens to fundamentally change this, and to have repercussions for the downstream user industries of the new projects being emphasized. Although the author, in his concluding chapter, has a sub-heading entitled "Caution on domestic protection", it might have been useful to draw more attention to the issue of protection policy.

One wonders also whether such a compressed time frame, as envisaged by policymakers, is feasible. This book discusses the case for Malaysia catching up with, and competing against, the advanced NICs (newly industrialising countries) — and even Japan — by 1990. It is clear that Malaysia is rapidly losing its comparative advantage in labour-intensive activities, and it is hardly evident that it should follow and catch up with the NICs in the space of less than a decade. For one thing, Malaysia's resource base differs substantially from the resource-poor NICs, and therefore its comparative advantage will lie in different activities. For another, establishing the necessary human, physical and commercial infrastructure is a complex, time-consuming task, which could not be easily undertaken in such a short period.

Methodologically, also, the book raises some interesting questions. The author employs revealed comparative advantage (RCA) indices to examine the changing pattern of export specialization. Although these are useful as broad indicators of changing

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comparative advantage, they need to be interpreted with caution because they reflect not only underlying economic changes but also the effects of policy interventions. Another issue concerns the use of capital-labour (K/L) ratios as a proxy for "technology". Admittedly, technology is a notoriously difficult concept to measure, but the K/L ratio may not always be appropriate, especially for (physical) capital-intensive but low-skill industries. Finally, one wonders whether the Malaysia-Japan comparisons are always relevant, because in many cases superficially similar industry categories conceal substantial differences in product mix across countries.

These are all relatively minor quibbles, however, and the book will be of great assistance for those with an interest in the subject.

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13 May 1969: A Historical Survey of Sino-Malay Relations. By Leon Comber. Kuala Lumpur: Heinemann Asia, 1983. Pp. 134 (including plates and appendices).

In this thin and simple book, Comber traces the problematic relationship between the Malays and Chinese in Malaysia (specifically in Peninsular Malaysia) over the last century which culminated in an open, bloody conflict on 13 May 1969, at Kuala Lumpur, Malaysia's capital city.

The first five chapters of Comber's book present a brief chronological survey of the historical context within which the problematic Malay–Chinese relations must be understood. The attempt is very descriptive but at times sketchy. In the last three chapters the book presents a stage-by-stage report of what occurred before, during, and after 13 May. Again, the presentation is very descriptive, with little analysis, and, to a certain extent, journalistic.

At the empirical level, what Comber offers is nothing new not only to Malaysianists but also to those who are interested in Malaysian affairs in general. This is owing to the fact that his sources have been solely secondary materials — newspaper reports, published government reports, textbooks on Malaysian politics, and so forth — the very materials used by high school students in Malaysia and the business community, local and abroad. Except for one Malay book, which happens to be a popular historical account of the Chinese in Malaysia, the rest of his sources are in English. Comber's analysis of the May 13 incident perhaps could have been more interesting and informative, if, for example, he had used Malay and Chinese sources — books, newspapers and journals — as well.

One glaring omission by Comber of an important historical fact is the violent racial clashes between the Malays and the Chinese from 1945 to 1948, which arguably, historically and sociologically, are as significant as the 13 May 1969 incident, if not more. The failure to mention these clashes seems to have exaggerated the historical and sociological importance of the 13 May incident in the history of Malay–Chinese relations. This has rendered Comber's treatment of the 13 May incident as a sensationalized journalistic piece, overdramatizing the unfortunate, tragic event.

At the theoretical level, Comber's analysis of Malaysia's Malay–Chinese relations is based upon the now over-flogged, hence rejected, "integrationist model". This is clearly

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indicated in the last part of the final chapter of the book where Comber argues that ". . . integration would therefore seem to offer the best solution . . ." (p. 88) to the Malay-Chinese problem. Comber's adoption of an over-simplified version of the ahistorical and astructural "integrationist model" despite his concern for history, is perplexing, to say the least. Probably, we are asking too much from a slightly revised M.A. thesis for a rigorous theoretical analysis of ethnic problems in Malaysia, which many scholars whose works he referred to have even failed to do.

Finally, the contribution of this book can generally be summed up by a statement which appears on the back cover of the book (probably written by Comber himself) that states ". . . a preliminary study of this kind can only be tentative and without great depth, and . . . not . . . definitive . . ." But Comber is certainly over-rating his contribution when he says, in the next paragraph, that it ". . . will provide not only useful background knowledge and information but also some indications and directions for the future study of relations between Malaysia's two main ethnic groups . . .". We do not have to go beyond the textbooks which he referred to to get what he claims his book offers.

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Superpower Competition in Southeast Asia: An Assessment

RUSSELL T. RESTON*

Introduction

The year 1985 marked the tenth anniversary of the communist victory in Vietnam. In the aftermath of this foreign policy disaster, America's interest in the Third World shifted elsewhere, notably to Central America and the Middle East. Meanwhile, changes have occurred within the countries of Southeast Asia and in their international relations which bear directly on the global competition between the superpowers — the United States and the Soviet Union.

This paper assesses the current state of superpower competition in Southeast Asia. The first section identifies U.S. and Soviet objectives and interests in the region. Four subsequent sections examine the geographic, military, political, and economic assets and liabilities possessed by each of them in Southeast Asia. These assets and liabilities are assumed to be valid indicators of how successful a superpower would be in protecting its interests and attaining its objectives in competition with the other superpower. The last section summarizes the discussion and makes some concluding comments.

In the discussion which follows, Southeast Asia will be defined to include the six countries (Brunei, Indonesia, Malaysia, the Philippines, Thailand, and Singapore) belonging to the Association of Southeast Asian Nations (ASEAN), the three Indochinese countries (Laos, Cambodia, and Vietnam), and the bodies of water surrounding and connecting all of these countries. Burma, an acknowledged neutralist country, is appropriately left out of this discussion.

U.S. and Soviet Objectives and Interests in Southeast Asia

The United States has numerous objectives and interests in Southeast Asia. Generally speaking, these include political and economic ties with Western-aligned Southeast Asian nations, and the fostering of intra-regional harmony.[1] Items which are especially important from a security standpoint include the strengthening of collective defence with America's regional allies and the promotion of stability, strong economic bonds, and free access to and within the region.[2]

Secretary of Defense Caspar Weinberger focused on security and economic interests in his *Fiscal Year 1986 Annual Report to the Congress*. He stated that over 30 per cent of U.S. trade currently occurs with East Asian nations, and that five of America's eight mutual security treaties link the United States with them.[3] According to Secretary Weinberger, priority U.S. objectives in the region include the

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defence of U.S. territory and the lines of communication that connect America to its Pacific allies and friends, and the fulfilment of America's treaty commitments to assist its allies. Regarding the latter, he cited both America's support of Thailand's efforts to strengthen its defence capabilities against the Vietnamese threat, and the presence of U.S. bases in the Philippines as examples of appropriate activities which further U.S. and allied objectives in Southeast Asia. He also expressed America's hope that the Australia-New Zealand-United States (ANZUS) security partnership would continue to contribute to the security of the region.[4]

The Soviets, on the other hand, feel that renewed U.S. interest in Southeast Asia stems from America's desire to draw Western-aligned countries, especially those in ASEAN, into what the Soviets feel is a "comprehensive strategic plan" to oppose Soviet interests, while concomitantly exorcising the image of America's post-Vietnam withdrawal from the region.[5]

Soviet objectives and interests in Southeast Asia stem from its desire to contain the People's Republic of China and to counter U.S. influence and military capabilities in Asia while simultaneously expanding its own. According to Richard H. Solomon, director of The Rand Corporation's research programme on International Security Policy, the Soviet military build-up in the region is designed to attain the following objectives:

> . . . to guard the Soviet Far East against attack and to secure sea-deployed strategic missile forces in the Sea of Okhotsk and elsewhere in the Pacific; to develop a significant military threat that will inhibit initiatives by China (as against Vietnam), the U.S., Japan, and allied states; to deploy a military capability that will counter the American Seventh Fleet and U.S. bases in the Pacific; and to develop naval and air forces capable of both protecting Soviet sea and air transport and challenging the security of the sea lines of communication between the U.S. and its Asian allies, and from the Middle East/Persian Gulf to the Western Pacific.[6]

In furtherance of these broader objectives, Moscow's actions in Southeast Asia appear to have concentrated on developing both a military presence on China's southern flank and regional basing arrangements in Vietnam.[7] Moscow can also be expected to view any social, political, or economic crisis in the region as an opportunity to attain its own objectives.[8] For example, the Soviet Union carefully handled its relations with the beleaguered Marcos regime of the Philippines in the hope of achieving certain future objectives such as the removal of American bases and perhaps even the destruction of ASEAN.[9]

Geographic Considerations

Soviet military forces based in Vladivostok, about 2,000 miles from Southeast Asia, are less than half the distance to Southeast Asia compared to U.S. forces based in Hawaii, and less than a third the distance of those based on the U.S. mainland.

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However, this advantage is more than offset by America's mutual security arrangements with its Asia-Pacific allies which provide access to a string of military bases and facilities running parallel to the mainland East Asian coastline from the Philippines in the south to Japan (including Okinawa) and Korea in the north.[10] These bases enable America quickly to employ its military forces should any conflict erupt in Southeast Asia. Up to 1978, in contrast, Soviet ability to employ its forces in Southeast Asia was constrained by vulnerable straits surrounding the Sea of Japan and the Sea of Okhotsk, which hemmed in the Soviet Pacific Fleet.[11]

When Vietnam and the Soviet Union signed their Treaty of Friendship on 3 November 1978, the entire strategic equation in the region was altered.[12] For the first time, the Soviet Union acquired a foothold in Southeast Asia through its treaty rights to use the Vietnamese air and naval facilities at Danang and Cam Ranh Bay.[13] In fact, Cam Ranh Bay has become the vital Soviet naval and air link between the Soviet Far East and the Horn of Africa, enabling the Soviets to protect their military power not only into the South China Sea, but also into the vast expanses of the Southwest Pacific and Indian Ocean.[14] Should a conflict occur, Soviet bombers based in Vietnam are now ideally situated to hit ships transiting key choke-points such as the Straits of Malacca through which most of Japan's Middle East oil passes, or to take out Clark Air Base and the naval facilities at Subic Bay, the only major U.S. military installations in Southeast Asia.[15]

In the context of Soviet-American competition, the Western-oriented Association of Southeast Asian Nations and, arguably, the People's Republic of China may both be viewed as geo-strategic U.S. assets. Close U.S. relations with the ASEAN countries facilitate the movement of allied naval forces and shipping throughout the region, thus helping to ensure maritime support, reinforcement of forward-deployed forces, and uninterrupted trade within the region.[16] In addition, China is strategically situated with its land mass and enormous population serving as a bulwark against Soviet power projection over land into Southeast Asia.

The Soviet Union views any movement towards consolidation of a security coalition comprising the United States, Japan, China, Western Europe, and Western-aligned countries in Southeast Asia as being among its most important geo-strategic challenges.[17] As a result, the Soviets can be expected to respond to such movements with increased military deployments to Asia, and with further efforts to strengthen their relations with Soviet-aligned countries in the region.[18]

The Conventional Military Balance

This discussion of the military balance will concern only those forces likely to be used in any conventional war between the U.S. and the Soviet Union in Southeast Asia. On the other hand, the speed with which conventional forces can be redeployed necessitates a broad look at U.S. and Soviet conventional forces in the entire Asia-Pacific region before more can be said about the ability of either the United States or the Soviet Union to focus these forces specifically in Southeast Asia.

According to unclassified order of battle information from Headquarters,

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U.S. Pacific Command (PACOM), the ratio of personnel in PACOM compared to those in the Soviet Far Eastern Theatre is as follows: 52:500 (thousands) ground forces, 233:143 (thousands) navy (including marines), and 46:95 (thousands) air force personnel.[19] Based on these numbers, the overall total of U.S. to Soviet personnel in the Asia-Pacific region is 331:738 (thousands) which gives the Soviets a better than 2 to 1 advantage. Soviet numerical superiority also extends to submarines, bombers, and fighter/ground attack aircraft. However, Soviet strategy, geographic considerations, U.S. superiority in aircraft carriers, and qualitative differences in weapon systems considerably decrease the impact of Soviet quantitative advantages.

Hua Di, a senior strategy and foreign policy researcher at the Chinese Academy of Social Sciences in Beijing, argues convincingly that the 52 divisions widely accepted (in 1984) as the Soviet ground forces strength in the Far East is an oversimplification. According to Hua, 13 of these divisions are part of the first and second echelons for a higher priority objective — a Soviet strike southward toward Baluchistan — which would occur in the event of a military showdown between the United States and the Soviet Union.[20] If one accepts Hua's thesis, then Soviet ground forces strength in the Asia-Pacific region can be reduced by one quarter. Furthermore, the vast expanses of water comprising much of the Asia-Pacific region render ground forces even less important in a theatre-wide conflict, while simultaneously increasing the importance of naval and air power — and in these two categories, the balance is much less clear-cut.

The Soviet Pacific Fleet can only exit the Sea of Japan or Sea of Okhotsk by transiting choke points, such as the Soya Strait, which are vulnerable to mining. As previously discussed, Soviet access to naval and air facilities in Vietnam has enabled them partially to break out of the constraints of the Seas of Japan and Okhotsk. As a result, the Soviets have increased their naval presence in and around Vietnam to an average of between 25 and 30 ships, including attack and cruise missile submarines as well as surface combatants.[21]

Although the numbers of surface combatants in the region for both superpowers are roughly equal, the American advantage over the Soviets in aircraft carriers (6 to 2)[22] is overriding. Aircraft carriers are the *sine qua non* of effective power projection in Third World areas such as the Asia-Pacific region.[23] Moreover, American numerical superiority in aircraft carriers is heightened by enormous qualitative superiority.

America's 90,000-ton nuclear carriers each carry 90 aircraft,[24] including the high-performance F-14 Tomcat,[25] currently operational on over 80 per cent of the U.S. Navy's aircraft carriers.[26] The Mach 2.34 Tomcat's missions include fighter sweep/escort, combat air patrol, deck launched intercept, and attack of tactical ground targets.[27] With a maximum rate of climb of 30,000 feet/minute at sea level, the F-14 is a first-rate interceptor which has even proven effective against Soviet air-to-surface missiles. Its sophisticated avionics system enables the F-14 to track 24 enemy targets and simultaneously attack six of them at varied altitudes and distances. In comparison, the 37,000-ton *Kiev* class aircraft carriers, the only fixed-

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wing aircraft carriers currently in the Soviet inventory, each carry only 33 aircraft, 19 of which are helicopters.[28] The 14 fixed-wing aircraft on board are subsonic Yak-36 Forgers[29] with significantly less intercept capability than the F-14.[30] The authoritative reference, *Jane's All the World's Aircraft*, identifies the primary operational roles of the Yak-36 as being ". . . reconnaissance, strikes against small ships, and fleet defence against shadowing maritime reconnaissance aircraft."[31] Soviet carriers and their Yak-36s, therefore, have dramatically inferior combat capabilities in contrast to those of their American counterparts.

Once in the open ocean, the large Soviet attack submarine force (102 to America's 51)[32] could be used to maximum advantage against Western shipping, troop ships and naval combatants. Even here, however, two types of qualitative differences undercut Soviet quantitative superiority. The first type of qualitative difference reflects poor Soviet construction practices. A recent article which appeared in *Defense & Foreign Affairs Daily* cited eleven mishaps known in the West to have occurred on Soviet nuclear submarines due primarily to hasty construction.[33] The article concluded that although ". . . the Soviets have over three times as many submarines as the United States, they are not able to keep a very great percentage of them at sea."[34] The 1984 edition of *Soviet Military Power* identifies the second type of qualitative difference as being American superiority over Soviet submarines in critical areas such as noise reduction and detection capabilities.[35] On the other hand, these statements should not be construed as arguments for complacency. A senior American intelligence official says the Soviets are producing or testing nine new submarine models which are quieter, faster, and incorporate higher technology than current models.[36] And the 1985 edition of *Soviet Military Power* warns that these newer Soviet submarines ". . . are narrowing the technological lead long held by the West."[37]

The Soviets have 355 bombers in the Asia-Pacific region compared to 16 for the United States;[38] however, without fighter escorts, Soviet bombers would be easy prey for U.S. fighters in the area.[39] PACOM statistics show that the Soviets have 1,725 fighter/ground attack aircraft in their Fast Eastern Theatre, whereas the Americans have 1,157 in PACOM.[40] In other words, the Soviets have almost 50 per cent more fighter-type aircraft in the Asia-Pacific region than does the United States; but this numerical advantage is once again offset by geographic considerations.

The combat radius of land-based Soviet fighters[41] in Northeast Asia limit their ability to escort bombers solely to those areas immediately adjacent to the Japanese islands. Furthermore, although carrier-based fighter aircraft could provide flexibility in bomber employment, the limitations of current carrier-based Soviet fighters outlined above degrade this flexibility. To overcome these deficiencies, the Soviets are building a conventional take off and landing nuclear powered aircraft carrier which may be outfitted with a version of the MiG-23 Flogger.[42] Such a carrier would provide the Soviets not only with greater flexibility in employing their numerically superior bomber force, but also with greater overall capacity to project power throughout the entire region.

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Meanwhile, the Soviets have deployed a squadron[43] of 14 all-weather MiG-23s and a total of 16 Tu-16 medium bombers to Cam Ranh Bay in Vietnam.[44] Squadron Leader Prasong Soonsiri, Secretary-General of Thailand's National Security Council, says that the MiG-23 is ". . . the most capable air superiority fighter to be based in Southeast Asia."[45] Thus, the threat to regional security has increased by these deployments, and U.S. bases in the Philippines are more at risk. However, the Philippines is at the outer limit of the MiG-23s' combat radius,[46] and the Tu-16s would have a difficult time bombing targets in the Philippines without the fighter cover provided by the MiG-23s. In addition, the MiG-23 may not be quite as capable in the air-to-air role as Prasong Soonsiri's comments seem to indicate. According to retired Israeli Air Force General Yalo Shavit, the MiG-23 as a fighter plane is no improvement, but rather a step backward, from even the older MiG-21.[47] Furthermore, if the Philippines did come under attack, the two squadrons of F-4s based at Clark Air Base could be quickly reinforced by F-15s from Okinawa,[48] not to mention carrier aircraft from the Seventh Fleet.[49]

What may be concluded about the conventional military balance in the Asia-Pacific region was summed up by Admiral William J. Crowe, Jr., Chairman of the Joint Chiefs of Staff, who provided the assessment when he was serving as Commander in Chief, Pacific Command:

> In the Pacific, it's essentially a naval-air threat. Anytime it's naval-air, we start at less of a disadvantage. We have a great Navy, and we have a terrific Air Force. Man for man, unit for unit, the Soviets can't match us.[50]

Political Considerations

Because it generally lacks political and economic policy instruments to use in Southeast Asia, the Soviet Union has relied primarily on its military might to further its interests in the region. Nevertheless, for the Soviet Union, as for the United States, political factors continue to pervade all aspects of superpower competition. This section will examine political considerations affecting security treaties, ASEAN, and the Soviet-Vietnamese-Chinese triangle.

Security Treaties. One of the most important categories of assets which the United States has consists of the following security treaties among the Western-aligned countries in Asia:

1. U.S.-Philippine Mutual Defense Treaty
2. Australia, New Zealand, United States (ANZUS) Security Treaty
3. U.S.-Japan Security Treaty
4. U.S.-Republic of Korea Mutual Defense Treaty
5. U.S.-Thailand Alliance
6. Singapore-Malaysia-Australia-New Zealand-Great Britain Five-Power Defence Arrangements.[51]

These arrangements have succeeded for decades in facilitating the conduct of

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collective defence efforts among the signatories, and have thus been extremely important for the protection of American interests in the region. Lately, however, strains have developed in U.S. relations with both New Zealand and the Philippines which increasingly call into question the viability of the American security arrangements with these two countries.

The current American rift with New Zealand began during mid-1984 when New Zealand's newly elected Labour government banned both nuclear-armed and nuclear-powered ships from its ports and territorial waters.[52] New Zealand's policy collided head-on with long-standing U.S. policy of not confirming or denying the presence of nuclear weapons on American ships.[53] The controversy reached a climax at the end of January 1985 when New Zealand Prime Minister David Lange denied permission for the nuclear-capable destroyer, USS *Buchanan*, to make a port visit to New Zealand at the end of the impending "Sea Eagle" ANZUS joint exercise, unless the United States confirmed that the destroyer would not be nuclear-armed.[54] The United States refused and, shortly thereafter, withdrew from the exercise, causing its cancellation.[55] Although Lange's obduracy has not resulted in official termination of the ANZUS military alliance, it has rendered it functionally inoperative.[56]

What are the consequences of New Zealand's actions for security in Southeast Asia? By providing anti-nuclear and disarmament groups in Australia, Japan, and elsewhere in the Asia-Pacific region with a *cause célèbre*, Lange's stand may provide impetus to these groups.[57] This could lead to further restrictions on the freedom of movement of U.S. forces throughout the region.

In the near term, however, New Zealand's actions should have very little impact on the security component of U.S.-Soviet competition in Southeast Asia. Firstly, New Zealand's military capabilities are meagre at the outset. Its entire armed forces number only 12,692 personnel[58] and lack significant categories of military equipment such as airfield defences, heavy artillery, fighter interceptors, main battle tanks, and submarines.[59] Secondly, Prime Minister Lange has reassured Southeast Asian nations that his anti-nuclear policies will not affect New Zealand's ties with Southeast Asia.[60] Presumably, this means that one of New Zealand's two infantry battalions (with logistic support) and one support helicopter unit (with 3 UH-1 helicopters) will continue to be stationed in Singapore.[61] Thirdly, the United States has asked Australia to replace New Zealanders currently operating secret U.S. equipment which monitor Soviet warships in Southeast Asia, and has curtailed intelligence-sharing with New Zealand (despite which, New Zealand says it will continue to pass to the United States all intelligence which it collects).[62] Finally, New Zealand has publicly announced that its fundamental security interests still include denying the South Pacific region to the Soviet Union.[63]

America's security arrangements with the Philippines are essential for the protection of its interests in the region because they permit the United States continued access to two major military installations — Clark Air Base and Subic Naval Base. Admiral Long, former Commander in Chief, Pacific Command,

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outlined the following reasons why Clark and Subic are indispensable to U.S. military capabilities in and adjacent to Southeast Asia. Clark is the only major tactical operational U.S. Air Force installation remaining in Southeast Asia; has the only permanent all-weather air defence capability in the Philippines; has a 10,500 foot runway which can be used by even the largest military transport planes; can handle more than 3,500 tons of cargo and 22,000 passengers daily, the greatest capacity for movement of personnel and material in the Western Pacific and essential to the Pacific-Indian Ocean airlift system; and possesses the finest air weapons range outside the United States — essential for maintaining combat readiness of U.S. air units throughout the Pacific.[64]

The U.S. naval complex at Subic Bay is the largest naval installation outside the United States; has three major wharves which can berth all ships including the navy's largest carriers; has the largest ship repair facility in the Western Pacific (performing 65 per cent of the ship repair work for the Seventh Fleet and operating 24 hours a day, 365 days a year, with lower labour costs than anywhere else in the Pacific); has the only overseas naval air station in which aircraft can be off-loaded directly from aircraft carriers; and is the primary "home-away-from-home" for the attack carrier striking force of the Seventh Fleet, complete with an airfield used by naval air units whose carriers are either in port or operating nearby.[65] In general, Clark and Subic provide not only air and naval capability to meet contingencies in the Western Pacific, Indian Ocean, Persian Gulf, East African waters, and the Middle East, but also comprehensive operational support in logistics, maintenance, personnel, communications, and training.[66] However, future U.S. access to these vital facilities is problematic.

The year 1972 is an appropriate starting point for an understanding of this issue, because in that year former President Ferdinand Marcos declared martial law to perpetuate himself in power (the Philippine Constitution prohibited his continuing in office beyond the end of his second term in 1973).[67] Marcos then systematically dismantled Philippine democratic institutions and began governing by decree.[68]

There appears to be general agreement that the ensuing years witnessed the destruction of democratic institutions and the amassing of personal wealth and power by Marcos and his inner circle,[69] abuse of civilians by the Armed Forces of the Philippines,[70] and a disintegrating economy.[71] These conditions in turn alienated the populace and fostered a growing insurgency.[72]

In the face of mounting world criticism of the excesses of his regime, Marcos agreed to hold elections for the presidency on 7 February 1986. He had hoped that the elections would prove to his critics that he had the mandate of the people.[73] However, the elections were marred by widespread and blatant fraud, intimidation, and violence perpetrated primarily by Marcos supporters despite the presence of foreign observers.[74] Events unfolded rapidly thereafter with a haemorrhaging of domestic and American support for the Marcos regime, and a concomitant bourgeoning of support for his opponent,[75] Mrs Corazon Aquino — wife of Marcos' arch political rival, Benigno Aquino, whom many felt

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Marcos had had a hand in assassinating.[76] The political crisis reached a climax when both Marcos' Defense Minister, Juan Ponce Enrile, and his Vice Chief of Staff of the Armed Forces of the Philippines, Lieutenant General Fidel V. Ramos, defected to Aquino.[77] A large and growing percentage of the Philippine armed forces also sided with Enrile and Ramos, and the stage seemed set for a bloody civil war.[78] However, President Reagan threatened an immediate cut-off of U.S. military aid if Marcos used force against his opponents. Shortly thereafter, President Reagan, as well as influential U.S. congressman, urged Marcos to resign.[79] Because his situation had become untenable, Marcos departed for the United States on 25 February 1986, and Mrs Aquino became President.[80]

During Marcos' years in power, the U.S. bases in the Philippines came to symbolize American support for the Marcos regime.[81] In the minds of many Filipinos, the aid associated with the bases agreements provided Marcos with arms, ammunition, equipment, and funds with which to carry out repression and the destruction of democratic institutions and processes.[82] It is not surprising, therefore, that groups opposed to the Marcos regime have been clamouring for years for the closing of these bases.[83] Mrs Aquino's ascendancy raises a question mark regarding the future of American access to the bases. She and her top advisors have repeatedly said that the United States will be granted access to the bases until 1991, and that the decision concerning access after that date will be left to a referendum of the Filipino people.[84] In view of this, strong American support for the economic, military, and political reforms which the new government is trying to institutionalize will not only directly benefit the Filipino people and the Aquino government, but should indirectly enhance America's ability to maintain access to the bases after 1991.[85]

Philippine bases are essential for the effective execution of U.S. strategy in Asia and adjacent areas such as the Indian Ocean and the Persian Gulf.[86] Termination of American access to these bases could therefore be expected to have a profound effect on America's ability to protect its interests in a large part of the world. To mitigate the adverse consequences of such an eventuality, the United States has been examining alternative sites, for example, on Guam, Singapore, and Australia, for suitability as bases.[87] Although most of the missions of and services provided by the Philippine bases could conceivably be accomplished at alternative sites or combinations of sites, these sites would have the following disadvantages. They would require billions of dollars and several years to establish; they would not be as ideally located from a strategic standpoint; they would employ more expensive indigenous labour forces requiring extensive training; they would require more time and longer distances to travel; and they would require additional ships. In other words, alternative sites would result in less warfighting capacity and would cost more money.[88]

During the interim, before alternative sites became operational, longer-range strike aircraft (such as the F-111) and additional fighter aircraft (such as F-15s and F-16s) might have to be based on Okinawa for contingencies in Southeast Asia. More Japan-based AWACS (Airborne Warning and Control System) and air

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refuelling assets might also be required to provide additional flexibility. Finally, Seventh Fleet carrier battle groups might be required to deploy for longer periods of time and with more ships than at present. All of these would of course mean additional costs in money, manpower, time and equipment.

In the context of superpower competition, it is worth noting that the Soviet Union started off on the wrong foot in its relations with the Aquino administration. Because of a gross political miscalculation stemming from a desire to ingratiate itself with Marcos at the expense of the United States, the Soviet Union was the only foreign government to congratulate Marcos on his "victory" after the elections. They have been trying to recover from this precipitate blunder ever since.[89] However, it will probably be a long while before the Soviets regain the political ground they have lost in the Philippines.

Nevertheless, the United States realizes it does not have the luxury of gloating over the Soviet predicament. The Philippine situation is still extremely tenuous at best, and the new government will need all the help it can get to solve its many problems. Professor A. James Gregor, principal researcher of the University of California's Pacific Basin Project, provided the following perspective two years ago. It is still relevant today.

> At the moment, the greatest danger that threatens U.S. interests in the Philippines is economic collapse. That would produce a rapid upward spiral of unemployment in the major urban centers whose probable consequence would be massive unrest and organized violence. The most likely outcome under those conditions would be the intervention of the military and the real prospect of civil war. U.S. interests would then be compromised, and any hope that the Philippines could embark on a process of self-sustained growth would vanish. The United States might find itself compelled to evacuate the military bases it maintains in the islands, the peace and security of all of Southeast Asia would be threatened, and the resulting instability might precipitate a confrontation involving the Soviet Union, the People's Republic of China, and the United States.[90]

Against this backdrop, the new assistance coming not only from the United States, but also Japan and other donor nations can only be welcomed as an investment in democracy for the free world, and in peace and security for all nations.[91] But they are only the initial steps, and sustained effort will be required.

The Association of Southeast Asian Nations (ASEAN)

In 1967, ASEAN was established with Indonesia, Malaysia, Singapore, Thailand, and the Philippines as the founding members. Brunei became ASEAN's sixth member in January 1984. Although ASEAN's original *raison d'etre* was economic co-operation,[92] and certain members have shown an aversion to being involved in a formal security treaty,[93] they all have common interests in fighting both internal communist insurgencies and external communist threats to their independence.[94]

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Consequently, as the regional environment changed in the wake of the U.S. wind-down of its military presence in Southeast Asia, there was a concomitant increase in national defence budgets within ASEAN as well as a rise in various forms of bilateral defence co-operation between individual ASEAN countries.[95]

As evinced by the rapid acceleration of ASEAN defence budgets between 1979 and 1980, the Vietnamese invasion of Cambodia on 25 December 1978 acted as a catalyst for further ASEAN defence efforts.[96] Subsequent Vietnamese attacks on Thai border areas have caused additional ASEAN political coalescence against Soviet-supported Vietnamese aggression.[97] Finally, the implications of the Soviet build-up in the region became starkly evident during the period 13 to 16 April 1984[98] when, for the first time, the Soviets and Vietnamese conducted joint naval and air manoeuvres.[99] Eight Soviet warships (including the aircraft carrier *Kiev*), Tu-16 Badger medium-range bombers, and Soviet naval infantrymen participated with the Vietnamese forces.[100] The manoeuvres not only demonstrated the growing permanence of the Soviet military presence in Vietnam, but also warned ASEAN that the Soviet Union should no longer be considered an outside power.[101]

In response to Vietnamese and Soviet activities, joint land, air and naval exercises within ASEAN have been intensified, military intelligence is being exchanged, wider co-operation is occurring on officer training and joint border security, and military equipment is being upgraded to include purchases of the coveted American F-16 fighter.[102] ASEAN continues to look to the United States and other Western countries for support not only in terms of military equipment, but also pursuant to the security treaties several ASEAN members have with Western countries. For example, under the auspices of the Five Power Defence Arrangements of 1971, Singapore for the first time deployed sixteen of its F-5E fighters to Butterworth Air Base in Malaysia, during April 1985, as part of the Integrated Air Defence System which provides an air defence cover for Singapore and Malaysia.[103] Australia also has warplanes based at Butterworth,[104] while Britain and New Zealand have officers assigned there.[105]

ASEAN leaders would like to see the region become a Zone of Peace, Freedom and Neutrality (ZOPFAN), but they are realists who recognize that Vietnamese aggression and the Soviet military build-up preclude a ZOPFAN in the foreseeable future.[106] Instead, they have called for a stronger U.S. political and military role in Southeast Asia and continuation of U.S. access to bases in the Philippines as the only effective deterrent to the Soviet build-up in the region.[107]

The Soviet-Vietnamese-Chinese Triangle

The Vietnamese invasion of Cambodia brought still another variable into the security equation in Southeast Asia. That variable was Chinese support for the Cambodian forces opposed to the Vietnamese. In one sense, the PRC can be viewed as a politico-military asset for Western-aligned forces in the region because, as noted by the U.S. Joint Chiefs of Staff, "the size of the Chinese military force

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requires both the Soviet Union and Vietnam to allocate resources for possible China contingencies."[108] However, China has also been a divisive influence in ASEAN. Singapore and the Philippines have followed Thailand's lead in welcoming Chinese support for what they view as Vietnamese expansionism backed by Soviet support.[109] Malaysia and Indonesia, on the other hand, feel that China poses the greater long-term threat to their security.[110] As a result, America's ties to the Western-oriented countries of ASEAN have been somewhat frayed by the ambivalence with which the blossoming U.S. relationship with China is viewed by ASEAN.[111]

The Soviet Union's political influence in Southeast Asia is minimal and stems primarily from Vietnam's fear of the Chinese threat to Vietnamese expansionist designs in Indochina.[112] Nevertheless, through Vietnam, the Soviets have a growing power base in the region and have succeeded in outflanking China, thus making Southeast Asia a major region of Sino-Soviet (as well as U.S.-Soviet) contention.[113] However, Vietnam may turn out to be a two-edged sword.

The Soviets are well aware that the Vietnamese truly want to be independent of excessive Soviet influence, but are only persuaded to accept it as a *quid pro quo* for Soviet military and political support against any Chinese military attacks resulting from the Vietnamese invasion of Kampuchea.[114] The Soviets, therefore, have a stake in maintaining Sino-Vietnamese tensions,[115] and the Vietnamese, in turn, have an analogous stake in the continuation of the Sino-Soviet rivalry.[116] Consequently, the price the Soviets are paying for their alliance with the Vietnamese may include the hope for an eventual *rapprochement* with China and future influence with certain ASEAN countries who feel threatened by Soviet-Vietnamese military co-operation.[117]

Economic Considerations

On 18 July 1984, Secretary of State George Shultz emphasized to the Honolulu Council on Foreign Relations that in an economic sense the Asia-Pacific region was fast becoming one of the most important regions of the world for the United States.[118] In fact, the United States conducts more trade (30 per cent of the U.S. total) with the Asia-Pacific countries than with any other regional grouping.[119] Moreover, by the end of this century the gross national product (GNP) and world trade of the Asia-Pacific free-market economies are likely to exceed those of both Western Europe and the United States.[120]

The ASEAN countries, in particular, have done well. Their average GNP growth rates were among the highest in the world in the 1960s and 1970s, and although ASEAN economic growth has slowed in the 1980s, largely due to slower growth in the United States, and a consequent decline in ASEAN exports to that country, it still remains a dynamic economic region. The strong economic performance of ASEAN bodes well for the United States and the West because the ASEAN countries have close economic relations with the United States and Japan, and are trying to emulate patterns of development of the industrialized demo-

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cracies.[121] In so doing, they serve as models for the Third World of the progress possible under a relatively free-market orientation, thereby promoting some of the same values prized by the United States. Furthermore, in their quest for economic development the ASEAN countries are strengthening their national and regional resilience, thus enabling them better to resist political pressures by external powers.[122] In this fashion, they are promoting that very regional stability which the United States is also seeking.

Despite the convergence of their interests on many issues, areas of friction do exist in U.S.-ASEAN economic relations. Of the six ASEAN countries, only Singapore is categorized as a "newly industrialized country". The others are still "less developed countries" (LDCs). The major exports of these ASEAN LDCs are primary products such as crude oil, tin, rubber, timber and grains.[123] Because these LDCs produce similar products, their economies are more competitive than complementary.[124] Consequently, they have very little to trade with one another[125] and, instead, are heavily dependent on trade with advanced industrial countries, particularly the United States and Japan.[126] Therefore, their economies are extremely vulnerable to adverse changes in raw material prices and the imposition of tariffs, quotas and other protectionist barriers to trade.[127] These barriers inhibit the industrial development and worsen the balance of payment problems caused by ASEAN's food, energy, and capital goods imports.[128] The question of protectionism is so important to ASEAN that it was the focal point of Secretary of State Shultz's trip to Southeast Asia in 1983.[129] Professor Robert C. Horn, writing in *Asian Defence Journal*, summarized ASEAN's views on economic issues as follows:

> . . . the U.S. ought to be responsive to these concerns, if for no other reason than that these economic issues are directly related to the security and stability of the regime in these countries. Economic progress is more critical to the viability of these polities as presently constituted than Communist subversion or, in most cases at least, external aggression.[130]

Generally speaking, the Soviet Union's own problems of production and technology have diminished its ability to use the economic instrument of policy in its competition with the West.[131] Soviet economic influence has not been very effective in the Asia-Pacific region, and only 7 per cent of the Soviet Union's exports and 12 per cent of its imports are traded there.[132] Vietnam is the exception. In that country, Soviet influence is strongly based on Vietnamese economic as well as military dependence. For example, the Soviets wrote off all the debts Vietnam had accumulated prior to August 1975,[133] and in recent years has provided almost 100 per cent of Vietnam's petroleum products, more than 90 per cent of its fertilizers, and more than 80 per cent of its metallurgy products.[134] The financial cost to the Soviet Union is steep. One estimate puts the total of Soviet economic and military assistance to the Vietnamese at three million U.S. dollars per day.[135] Nevertheless, the Soviets feel that the benefits are well worth the costs.

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In return for Soviet assistance, Vietnam allows the Soviet Union to use the air and naval facilities at Danang and Cam Ranh Bay, thus providing them with that strategically critical toe-hold in Southeast Asia discussed earlier.[136] The Soviets are also reaping an additional, subtler benefit from the relationship. Economic projects introduced into Vietnam by the Soviets along with trade patterns designed to facilitate Vietnamese repayment of its huge debt have gradually restructured the Vietnamese economy to more closely coincide with the needs of the Soviet economy.[137] This economic dependency was further enhanced by Vietnam's entry into the Council for Mutual Economic Assistance, the Soviet bloc's equivalent of the European Economic Community.[138] Thus, the Soviets are binding Vietnam increasingly tighter into the Soviet orbit, ensuring Vietnamese realiability as an important strategic ally on China's southern flank.[139]

At some point in the future, the United States may be able to use Vietnam's economic problems to wean the latter away from the Soviet Union. Vietnam has made numerous overtures to the United States to normalize relations, with a view not only to obtaining trade and aid, but perhaps even to using the United States to counterbalance Soviet influence (for example, should a Sino-Soviet *rapprochement* disadvantageous to Hanoi ever materialize).[140] Consequently, an opportunity may arise for the United States to play a future "Vietnam card" to the detriment of Soviet strategic plans, analogous to the way the "China card" was played in the early 1970s. At this time, however, the presence of Vietnamese forces in Cambodia virtually precludes any normalization of relations with Vietnam by either the United States or ASEAN.[141] Additionally, before any such normalization occurs, the United States should of course have thoroughly evaluated its potential consequences including its effect on the fragile U.S. relationship with China, its impact on the cohesion of ASEAN, and its legitimating effect on past Vietnamese actions. Finally, the United States should not be overly optimistic about the political concessions it can extract from the Vietnamese through the economic activities which may accompany normalization. It would be the height of naivety to believe that Vietnam is so desperate to break out of its isolation that it would be willing to make major concessions immediately.[142] Nevertheless, the United States should be positioning itself to take maximum advantage of any future opportunity.

Conclusions

The preceding assessment of the geographic, military, political, and economic assets and liabilities possessed by each superpower in Southeast Asia pointed to an asymmetry — the United States on balance has the advantage in each category. One can conclude, therefore, that based on this assessment the United States is in a better position to protect its interests and attain its objectives in Southeast Asia than is the Soviet Union. Although such a conclusion may be currently justified, it should also be tempered by a measure of caution. The international environment is never static, and certain developments have the potential to alter dramatically regional security calculations.

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The rapid rise in the Soviet military presence in Southeast Asia, apparently stemming from Soviet treaty rights to Vietnamese bases, is one such development. Steady improvements in the quality as well as the quantity of this presence can be expected to continue, to the detriment of U.S. regional interests. Although military might is the Soviets' principal, if not only, asset in Southeast Asia, any dramatic shift of the relative military balance in their favour *vis-à-vis* the United States may translate into regional political strength as well.

The situation in the Philippines must be carefully monitored. U.S. access to Philippine bases is necessary for the effective execution of U.S. strategy in Asia and contiguous areas. A growing Soviet regional presence unconstrained by the countervailing presence of American bases could have far-reaching consequences inimical to American interests and to those of Western-aligned Asian nations. Until recently, large segments of the Filipino populace had been alienated by the Marcos regime, and a concomitant hostility had developed towards what was perceived as the prime supporter of Marcos — the United States. To rectify this situation, the United States must do its utmost to speed the process of national reconciliation. The goodwill of the Filipino people, important in its own right, is also essential for long-term access to Philippine bases. Therefore, the United States is responding appropriately by supporting Mrs Aquino's efforts to undertake fundamental political, economic, and military reforms. The United States is also exercising prudence by searching for suitable alternative locations in case U.S. access to Philippine bases is in fact terminated.

The free-market ASEAN countries are seeking assistance not only in building up their national defences, but also in strengthening their economies. By resisting protectionism, America and other industrialized democracies will help to maintain stability in the often fragile socio-economic structures of various ASEAN countries. This is turn should strengthen ASEAN's ability to resist pressures by external communist powers and inroads by domestic insurgents. Thus, by helping ASEAN in the economic sphere, the United States will be helping to protect fundamental democratic values with less need to rely on U.S. military power to do so.

The strong U.S. economy can be utilized not only to assist its ASEAN friends, but also as a negotiating chip with an erstwhile enemy. As the Vietnamese economic situation continues to deteriorate, an opportunity may arise to use normalization and the possibility of trade and aid to lessen the extent of Soviet influence in Vietnam. The United States should be preparing for such an eventuality, but in doing so must take into consideration the potential effect of normalization on other regional actors, and the difficulties involved in translating American economic assistance into Vietnamese political concessions.

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* The views and conclusions expressed in this report are those of the author. They are not intended and should not be thought to represent official ideas, attitudes or policies of any agency of the United States Government. In the writing of this report, the author has not had special access to official information or ideas, and has employed only open-source material.

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The Colonial Legacy in Southeast Asia: Maritime Boundary Problems

LEE YONG LENG

The evolution of Southeast Asian land boundaries did not follow the classical model of an international boundary emerging only after a political frontier had been whittled away by encroachments from either side. This could only happen where there was a long period of historical, continuous, indigenous political power. In Southeast Asia, as is well known, the intervention by European colonial powers created a political discontinuity in the evolution of boundaries from frontiers.

All the states were carved out from indigenous kingdoms which had been subdued by the European powers. Hence, it was not a matter of selecting a precise boundary to replace an indefinite frontier. Rather, it was political decisions made in European capitals that decided where a boundary should lie.

Such land boundaries imposed by the colonial powers were often imprecise as they were badly delimited. Some cut through areas of ethnic homogeneity, while others used vague or changeable physiographic features. It is therefore not surprising that there have been boundary disputes between states today. Boundaries have, in fact, become an important theme in the politics of Southeast Asia.[1]

Such colonial decisions have also made their mark in the maritime boundaries of Southeast Asia. Despite the fact that the 1982 Convention on the Law of the Sea has provided the necessary guidelines for the delimitation of the various sea boundaries, the historical legacies of the colonial powers, in the form of maritime boundary treaties or protocols, have made such delimitation difficult. In many cases, they have given rise to problems and boundary disputes. This is the historical legacy that will be discussed in this paper, a legacy that has stalled or delayed the acceptance of agreed maritime boundaries based on the 1982 Convention.[2] Two specific examples, one on Singapore and the other on the Philippines are used to illustrate some of the problems.

Singapore's Maritime Boundaries

The 1824 London Agreement between the British and the Dutch was one of the first colonial decisions affecting the maritime boundaries of Singapore. This agreement decided that the British sphere of influence should be north of the Equator and the Dutch sphere in the south. Like most other colonial boundary decisions of the time, it was the economic incentive for expansion in quest of stable and profitable

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resources and a territorial drive that led to the delimitation of boundaries between the two competing British and Dutch colonial powers.[3]

This Anglo-Dutch agreement "delimited" the present boundaries between Singapore and Indonesia and between Singapore and Malaysia. Under the Anglo-Dutch treaty of 17 March 1824, Britain gained Singapore, Malacca and some depots in India. In return, Britain ceded to the Dutch all British settlements in Sumatra and withdrew objections to Dutch occupation in Belitung. In addition, Britain also agreed not to acquire any territories in Sumatra or the islands of Karimun, Bintang, Batam and the other islands south of Singapore, while the Dutch disclaimed all future interest in possessions on the mainland of Malaya.

The curious thing about this agreement is that the boundary was defined by the allocation of islands to the two countries and not by the precise drawing of a maritime boundary. To consolidate its hold in Singapore, Britain persuaded the Sultan of Johore, in a treaty on 2 August 1824, to cede to the East India Company for ever the island of Singapore, together with the adjacent seas, straits and islets, to the extent of ten geographical miles from the coast. This second treaty with the Sultan of Johore resulted in another little known fact that, in ceding all the islands within ten miles of Singapore, it was contradicting the first treaty with the Dutch as some of the islands in the Riau archipelago awarded to the Dutch were less than ten miles from Singapore. Strangely enough, this contradiction did not lead to any difficulties, and the division agreed in 1824 has been preserved in the "boundary" recognized by the successive governments in Singapore, Malaysia and Indonesia.[4]

However, such a situation was too good to be true and it was only a matter of time before such a "boundary" became untenable to both sides. The change in climate came with the start of the Third United Nations Law of the Sea Conference in 1973 which provided the required context for both Singapore and Indonesia to draw a more precise boundary separating their territorial waters in the Singapore Strait. The new Singapore-Indonesia boundary of 1973 is twenty-four nautical miles long and is defined by six points. It follows fairly closely the course used by large oil-tankers in passing through the strait. But it is still not a complete boundary and there are still some maritime boundaries to be drawn to complete the division of these waters and the underlying shelf.

It should be noted that the 1973 boundary is incomplete on both the western and eastern ends. On the west, an extension will have to be drawn, first, between Indonesia and Singapore, then between Indonesia and Malaysia. In drawing these extensions it cannot be assumed that Indonesia will follow the median line, especially in view of the new guidelines contained in the 1982 Convention on continental shelves. On the east, there is a short section of boundary needed between Singapore and Indonesia to carry the line to the boundary between Singapore and Malaysia as it emerges from the Johore Strait. Beyond that tri-junction, there is a gap of about twenty-seven nautical miles to the beginning of the continental shelf boundary agreed between Indonesia and Malaysia in October 1969 (Figure 1).

Singapore's boundary with Johore is defined by the Straits Settlements and Johore Territorial Waters (Agreement) Act of 1928. In this Act the contradiction

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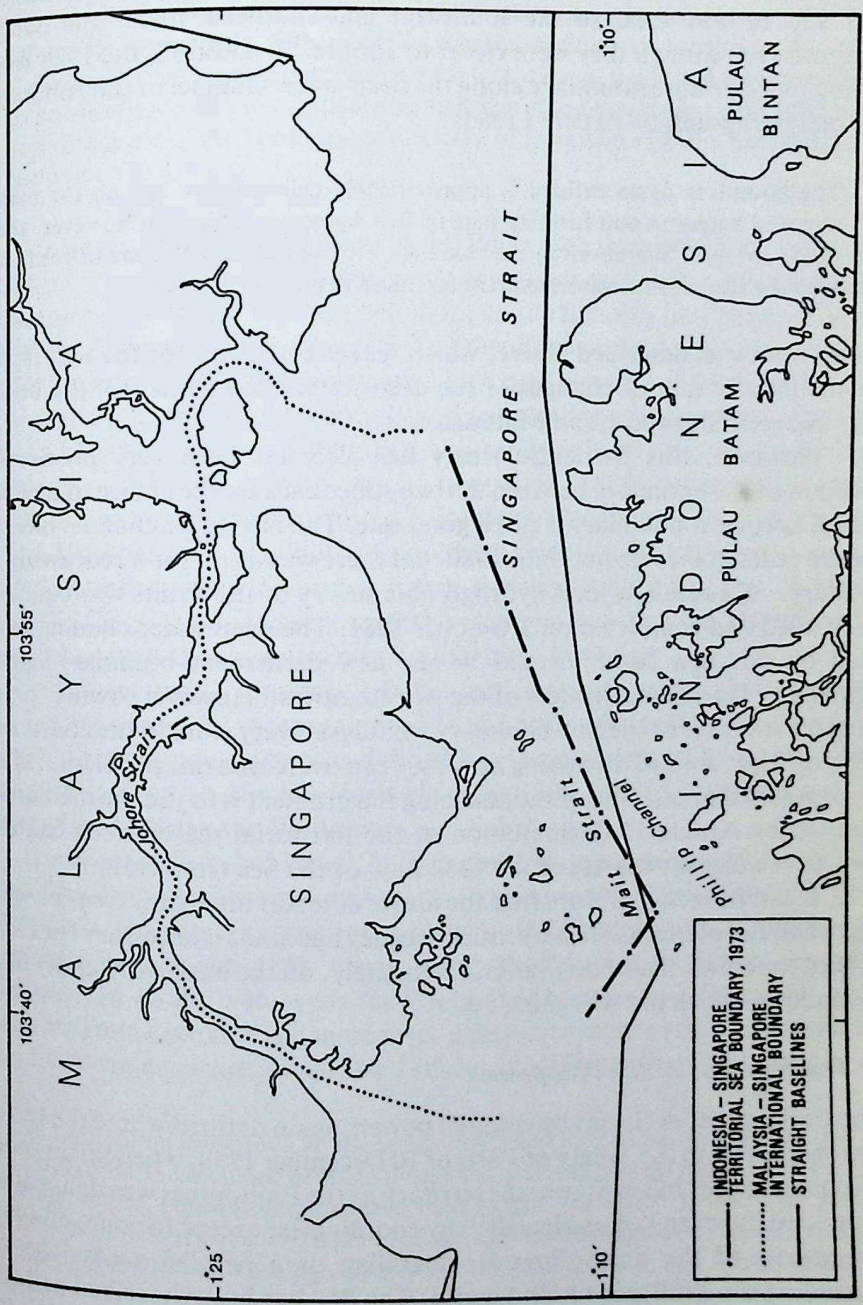
FIGURE 1
MARITIME BOUNDARIES OF SINGAPORE



SOURCE: Adapted from J.R.V. Prescott, J.H. Collier, and D.F. Prescott, *Frontiers of Asia and Southeast Asia* (Carlton, Vic.: Melbourne University Press, 1977), p. 76.

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concerning the ten-mile limit around Singapore island was resolved by retroceding to the Sultan of Johore all waters and islands within three nautical miles from the Johore coast, otherwise the 1824 Agreement would have placed all the Johore Strait and certain areas to the southwest and southeast under the control of Singapore even though they were closer to Johore. In addition, the 1928 Act drew the Singapore-Johore boundary along the deep-water channel of the Johore Strait. The final paragraph of Article I reads:

> The boundary as so defined is approximately delineated in red on the map annexed hereunto and forming part of this Agreement. Should, however, the map, owing to alterations in the channels, etc., appear at any time to conflict with the text of this Agreement the text shall in all cases prevail.

This boundary as described above, which makes provision for the text to prevail over the map in case of changes of the deep-water channel, is still the boundary today between Singapore and Malaysia.

However, this particular treaty has also not been very precise in the definition of the boundary between the two states because the choice of a navigable channel to form a boundary is not a good one. The navigable channel has shifted over the years but it was not until 1980 that there was a call for a redrawing of the boundary. As a result, a joint hydrographic survey of the straits was begun on 10 March 1980 and completed on 3 October 1981. The deep water channel as determined by this new survey would be the new permanent boundary agreed to originally by the prime ministers of the two countries.[5] However, owing to the fact that some stretches of the new boundary would pass very close to the coasts of both states, officials are still discussing how they can overcome this problem.[6] Malaysia has suggested that one way of rationalizing the problem is to use the median line as suggested by Article 15 (Delimitation of the territorial sea between States with opposite or adjacent coasts) of the 1982 Law of the Sea Convention.

It can be seen therefore that the above colonial boundary treaties were not precise and full of inconsistencies. Such a legacy has made it necessary for the states involved to redraw their boundaries, fortunately, on the basis of friendly bilateral negotiations, which are still going on.

The Treaty Limits of the Philippines

In the Philippines, decisions by colonial powers again defined where the territorial limits should be. In the Treaty of Paris of 10 December 1898, when Spain ceded the Philippines to the United States, the territory of the Philippines was delineated by a line defined by seven points identified by coordinates; except for one, all the other six segments of the line followed a meridian or a parallel across the waters surrounding the Philippine island world. The line has been described as follows:

> A line running from west to east along or near the 20th parallel of north latitude, and through the navigable channel of Bachi, from the 118th to the 127th degree

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meridian of longitude east of Greenwich thence along the 127th degree meridian of longitude east of Greenwich to the parallel of 4° 45′ north latitude to its intersection with the meridian of longitude 119° 35′ east of Greenwich, thence along the meridian of longitude 119° 35′ east of Greenwich to the parallel latitude 7° 40′ to its intersection with the 116th degree meridian of longitude east of Greenwich, thence by a direct line to the intersection of the 10th degree parallel of north latitude with the 118th degree meridian of longitude east of Greenwich, and thence along the 118th degree meridian of longitude east of Greenwich to the point of beginning.[7]

However, this first definition of the Philippine territorial limit between the United States and Spain was not precise. It was discovered that some islands in the southwestern part of the Sulu Sea belonging to the Spanish had been excluded by the above definition. A second treaty had therefore to be drawn up between the United States and Spain, which was concluded on 7 November 1900. In this treaty, the Cagayan Sulu islands and Sibutu Island and numerous other small islands near the present Sabah coast were identified and brought in as parts of the Philippine archipelago. Like the Anglo-Dutch treaty of 1824 defining Singapore's boundaries, the curious feature about these two United States-Spanish treaties of 1898 and 1900 defining the limits of the Philippines was that there was no actual maritime boundary drawn between North Borneo (Sabah) and the Philippines. Again, as in the Singapore case, the 1900 treaty here was more an identification of islands rather than the delimitation of a maritime boundary.

It was not until 2 January 1930 that the United States and Britain agreed to draw a precise boundary to separate their island possessions off the northeast coast of Sabah. This boundary line was defined by eleven points, and the two terminal points were located on the line defined in the 1898 treaty.[8] This line is still the boundary line between the Philippines and Sabah today.

It is claimed that the United States from 1898 onwards exercised sovereignty over the Philippine archipelago and the waters within the limits of the Philippines established in the three international treaties described above. In other words, these waters within the 1898 treaty limits became the territorial sea of the Philippines. On 4 July 1946, when the Philippines became an independent state, it also assumed and exercised the same sovereignty over these territorial waters. Such a claim has been enshrined in Article I of the 1935 Philippine Constitution:

> The Philippines comprises all the territories ceded to the United States by the Treaty of Paris concluded between the United States and Spain on the tenth day of December, eighteen hundred and ninety eight, the limits of which are set forth in Article III of said Treaty together with all the islands embraced in the treaty concluded at Washington, between the United States and Spain on the seventh day of November, nineteen hundred and in the treaty concluded between the United States and Great Britain on the second day of January nineteen hundred and thirty, and all territory over which the present government of the Philippine Islands exercises jurisdiction.

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Since then, the Philippines has persistently been claiming historic title over these territorial waters within the treaty limits. On 17 June 1961, long before the United Nations 1982 Convention approved of the measure, the Philippines proclaimed a series of straight baselines joining the outermost points of its outermost islands.[9] In this same proclamation, it also noted that the waters between the baseline and the treaty limits constitute the territorial waters of the state. If this is accepted, it means that the Philippine territorial waters will vary in width from about 290 nautical miles in the northeast to less than one nautical mile in the southwest (see Figure 2).

At the Third United Nations Convention on the Law of the Sea (UNCLOS III) Philippine representatives have consistently argued for the recognition of this historic title over territorial sea in the same manner that historic bays have been accorded such recognition. In the same vein, they have also argued that in determining the breadth of the territorial sea exception should be made for those states which had already established a territorial sea with a breadth greater than the maximum set forth in the United Nations Convention. They claim that the treaties are historic titles by which the Philippines acquired or established its rights over its territorial sea and that such territorial sea under the historic title should be excluded from the rules governing the delimitation of the sea. They see no reason why only historic bays should be exempted from the relevant rules of international law.[10]

This unilateral claim by the Philippines that the treaty limits should be the outer boundary of the state will by itself give rise to some problems. Such problems will be further compounded by the fact that the 1982 Convention has approved of several maritime boundaries and zones such as the new 12-mile territorial sea, the 200-mile exclusive economic zone and straight baselines and archipelagic waters.[11] These will clash with the Philippines' claim or give rise to anomalies and problems.

More specifically, there will be three problems connected with the use of the limits established by the treaties of 1898 and 1930 as the outer boundary of the Philippine territorial sea. Part of the 1898 treaty ceding the Philippines to the United States was cast in the following terms:

> Spain cedes to the United States the archipelago known as the Philippine Islands and comprehending the islands lying within the following line.[12]

In the 1930 treaty, when the United States and the United Kingdom agreed on a boundary line to rectify the imprecision of the 1898 treaty, the line was described thus:

> It is hereby agreed and declared that the line separating the islands belonging to the Philippine archipelago on the one hand and the islands belonging to the State of North Borneo, which is under British protection, on the other hand shall be and is hereby established as follows.[13]

It should be noted that the two treaties refer only to the islands either

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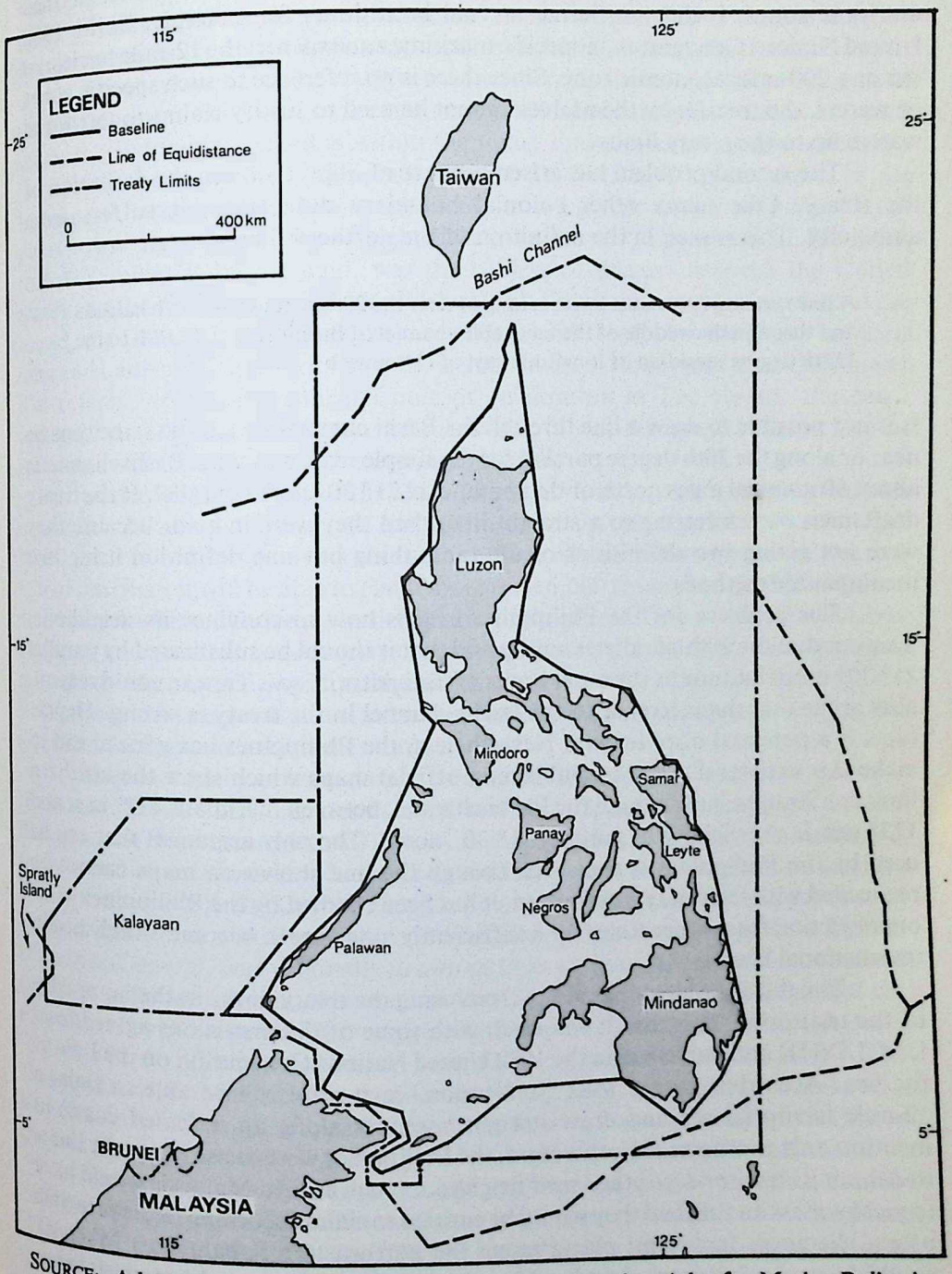
FIGURE 2
TREATY LIMITS OF THE PHILIPPINES



SOURCE: Adapted from J.R. Morgan and M.J. Valencia, eds., *Atlas for Marine Policy in Southeast Asian Seas* (Berkeley: University of California Press, 1983), p. 50.

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comprehended (that is, included) by the line or separated by the line. In other words, it was more an allocation of island territories rather than one which defined maritime zones. It did not define, as had been done, for example, in the 1982 United Nations Convention, a specific maritime zone such as the 12-mile territorial sea or a 200-mile economic zone. Since there is no reference to such specific zones or waters, the treaties by themselves cannot be used to justify claims to territorial waters up to the treaty limits.

The second problem has arisen because of imprecision in the definition of the treaty. Like many other colonial boundary definitions, it suffers from ambiguity. This is seen in the definition of the northern limit:

> A line running from west to east along or near the 20th parallel of north latitude and through the middle of the navigable channel of Bashi from the 118th to the 127th degree meridian of longitude east of Greenwich . . .[14]

It is not possible to draw a line through the Bashi channel and at the same time be near or along the 20th degree parallel for the simple reason that the Bashi channel is about 80 nautical miles north of that parallel at 21° 30′ north parallel. If the treaty draftsmen were referring to a straight line, then they were in error because they were not giving two definitions of the same thing but one definition using two incompatible methods.

The problem for the Philippines here is how to convince its neighbour, Taiwan, that the 20th parallel is wrong and that it should be substituted by parallel 21° 30′ north latitude as the outer limits of its territorial sea. Taiwan could reasonably argue that the reference to the Bashi channel in the treaty is wrong. Hence, there is a potential dispute here. Nevertheless, the Philippines has gone ahead to make this unilateral claim by publishing official maps which show the northern limit as a straight line through the Bashi channel, between meridians 118° east and 127° east in the vicinity of parallel 21° 30′ north. The only argument that can be used by the Philippines is that even though the line shown on maps cannot be reconciled with the treaty's definition, it has been claimed by the Philippines without objection from other states for a sufficiently long time to become established in international law.

The third problem that arises from using the treaty limits as the outer edge of the territorial sea is that it will clash with some of the provisions agreed to at UNCLOS III and published in the 1982 United Nations Convention on the Law of the Sea. According to the 1982 Convention, each state will be able to claim a 12-mile territorial sea and draw straight baselines along an indented coast, to mention only two items.[15] If, therefore, the Philippines were to use the treaty limits to delimit its territorial sea then near neighbours such as East Malaysia would have to yield waters and seabed they would be entitled to claim according to the principle of equidistance. In several places along the northeastern Sabah coast Malaysia would be prevented from claiming 12 nautical miles of territorial waters closer to Malaysian territory than to the Philippine islands. Since a claim to territorial sea is

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also a claim to the seabed and subsoil under the waters and to the airspace above the waters, it is certain that in any future dispute and negotiation between the two parties Malaysia will insist, as is its right to do so under the 1982 Convention, on drawing straight baselines first along its coasts before delimiting its territorial sea.[16]

Another example of a clash between the treaty limits and the provisions of the 1982 Convention is seen in the Indonesian island of Miangas. Strange as it may seem, the Indonesian island is within the treaty limits, and seemingly within the territorial waters of the Philippines (Figure 3). Yet, it is also a point in the Indonesian straight baseline system, incorporated a year earlier than the Philippines' own declaration of a straight baseline system.[17] The island of Miangas, formerly called Palmas Island, was the subject of dispute between the United States and the Netherlands in 1906. Both colonial powers claimed ownership of the island, the United States resting its case on the 1898 treaty and the Dutch on their long and undisputed authority over the island. In 1928, three years after the dispute was referred to the Permanent Court of Arbitration at The Hague, the court delivered its judgement in favour of the Dutch. Thus, the island became part of Indonesia when that country became independent.

Under the provisions of the 1982 Convention, Indonesia is entitled to claim not only a 12-mile territorial sea but also other maritime zones from its straight baselines.[18] If Indonesia insists on using the line of equidistance between the two sets of baselines it will be able to claim more than 6,000 square nautical miles of sea and seabed within the treaty limits of the Philippines. This is indeed a curious anomaly and one that is not easy to solve considering that both are strongly committed to the archipelagic straight baselines system. The conundrum the Philippines has to solve is how to reconcile its commitment to the propriety of the straight baselines with the treaty limits.

There are many other examples of colonial legacies which have complicated the maritime boundary disputes in Southeast Asia. Space does not permit a fuller discussion of these examples. All that is necessary at the moment is to mention two other colonial decisions that have made maritime boundary disputes intractable. One is the dispute in the Gulf of Thailand between Vietnam and Kampuchea over what is known as the Brevie Line.[19] The Brevie Line, named after a French Governor-General, was originally drawn in 1939 to divide the administrative and police jurisdiction on land between the French colony of Cochin-China and the protectorate of Cambodia. Although it was accepted by both sides as the *de facto* line of control, Vietnam refused to accept it as an international boundary. The Kampucheans, however, did not see it as merely a line for administrative and police jurisdiction but thought of it as the "state frontier". Vietnam would prefer to use the line of equidistance as it would give it a larger area of sea and seabed.

The second example is in the Gulf of Tonkin where there is a dispute between the Chinese and the Vietnamese over the correct location of the maritime boundary through the Gulf. The Chinese insist that the maritime boundary is an unresolved issue whereas the Vietnamese insist that the boundary was settled by the Sino-French Treaty of 26 June 1887. The difficulties have arisen because of the

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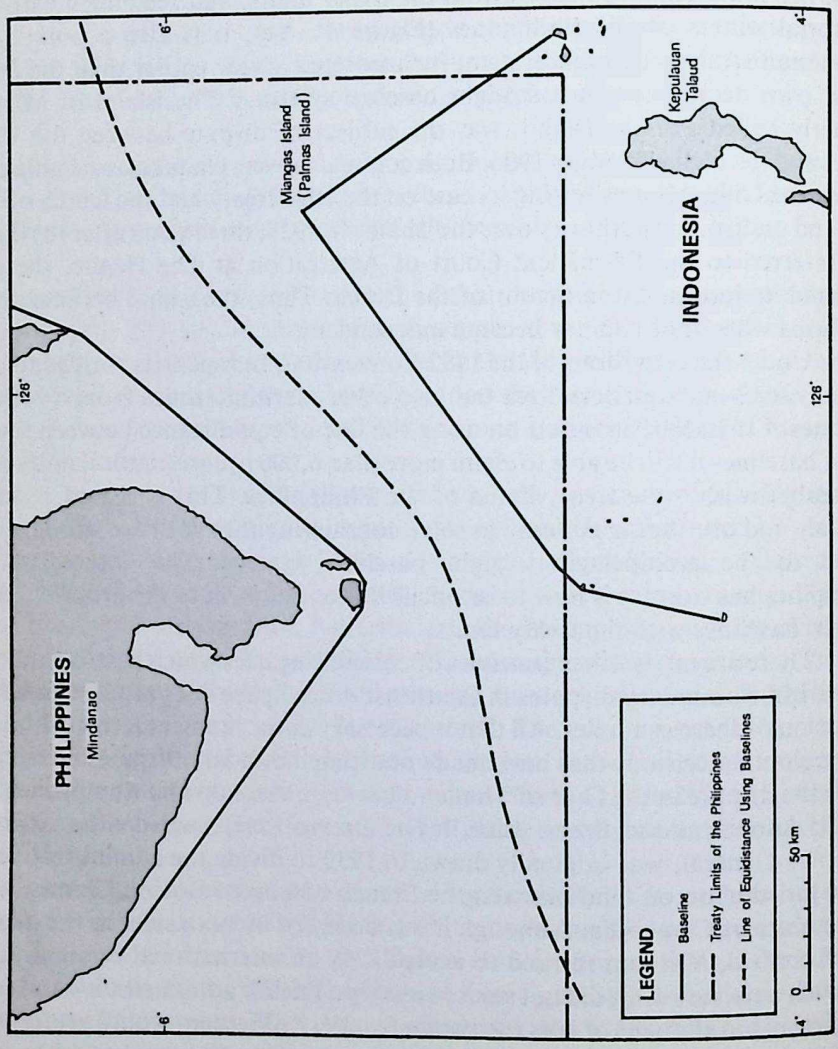
FIGURE 3
POSITION OF MIANGAS ISLAND



SOURCE: Adapted from J.R. Morgan and M.J. Valencia, eds., *Atlas for Marine Policy in Southeast Asian Seas* (Berkeley: University of California Press, 1983), p. 51.

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imprecision of the treaty, something quite common in nineteenth century boundary definitions. In this case, the line east of the Paris meridian of 105° 43′ east (108° 3′ east of Greenwich) was drawn to allocate islands between China and France. However, it is imprecise because the line has no termini; there is no mention whether it was to be only for the Gulf of Tonkin or that it was more than a line to allocate or separate islands. Because of such imprecision the Chinese has not accepted it as a maritime boundary.[20]

Conclusion

Southeast Asian states are looking to the seas as the new frontiers of mankind. Even before the conclusion of UNCLOS III and the signing of the 1982 Convention there was already a scramble for ocean space. States that are not so well placed in relation to the sea, that is, the so-called "disadvantaged states", will be the losers in this scramble. Prior to 1982, the many unilateral claims to sea space resulted in offshore boundary disputes. The 1982 Convention now allows states to claim further stretches of sea and provides the guidelines to an orderly sharing of the seas. Unfortunately, the present international legal system is still unable to provide a framework for effective law and order and there seems to be more disputes over the new boundaries and zones set out in the Convention.

Many of the claims to larger stretches of sea, whether unilateral or under the 1982 Convention, have no basis in geographical reality and do not approximate to any known geographical concept. This means that coastal states can claim large areas far beyond sight of their own coasts, with which they have no greater contact or relationship than the peoples of other states. This phenomenon and the intractable disputes, both continuing and others to come, have been compounded by the presence of colonial treaties and protocols. Many of these nineteenth-century treaties have proved to be not only imprecise but also full of inconsistencies. By themselves they have provided material for intractable disputes between states. They also underpin many of the disputes that have surfaced recently and ensure that delimitation of new boundary lines according to the 1982 Convention will not be an easy task.

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Economic Development and the Labour Force in Thailand

WARWICK NEVILLE

There are substantial disparities between the direction and scale of shift in the economy of Thailand and the deployment of the labour force which, despite change, strongly reflects earlier structural features. In the period 1964–83, there was a decline in the contribution of agriculture, forestry, and fishing to gross domestic product (GDP) from 33.4 per cent to 23.6 per cent (Table 1). Similarly, the contribution of agriculture, forestry, and fishing to export revenue declined more than fourteen percentage points over the period 1970–83 from 76.0 per cent of total exports to 61.7 per cent. In both instances, manufacturing increased substantially, particularly in its contribution to exports. These shifts, however, were only weakly reflected in the redeployment of the labour force which, with characteristic inertia, responded slowly to changing policies and demands.

While ignoring all other factors of production and therefore giving a highly

TABLE 1
THAILAND: INDICATORS OF SHIFT IN AGRICULTURE AND MANUFACTURING, 1964–83

	1964	*1970*	*1975*	*1980*	*1983*
% of GDP by industrial origin					
Agriculture	33.4	32.2	30.5	24.8	23.6
Manufacturing	14.0	15.5	18.1	20.7	21.0
% of exports by value[a]					
Agriculture	n.a.	76.0	74.3	59.1	61.7
Manufacturing	n.a.	16.9	20.9	35.9	35.9
% of total labour force					
Agriculture	n.a.	80.0	n.a.	74.3	66.0
Manufacturing	n.a.	4.1	n.a.	5.8	7.8

[a] Derived from Standard International Trade Classification (SITC): "agriculture" comprises sections 0,2 (which includes all crude materials, not just those of agricultural origin) and 4; "manufacturing" comprises sections 1, 5, 6, 7 and 8.
n.a. not available

SOURCE: Asian Development Bank, *Key Indicators of Developing Member Countries of ADB* (Economic Office, Manila), various dates; and National Statistical Office, *1970* and *1980 Population and Housing Census* (1973 and 1983).

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simplified assessment of the changes which have been occurring, this brief profile serves to highlight the cluster of issues which centre around the increasing disparities in well-being between urban and rural populations, the official policies which have tended to favour the large business enterprise and the urban-based entrepreneur (as opposed to the small operator and the rural sector), and the dominant influence of Greater Bangkok relative to other regions.

The implications and consequences of these and similar characteristics of the Thai economy have been widely discussed.[1] The purpose of this paper is not to pursue that discussion but to explore the dimensions of the labour force itself and the nature and scale of its change in recent years in order that this less well known facet may add further substance to the wider discussion.

Background to the Economy

Historically, Thailand's economy has been based on the primary sector with rice, maize, sugar, rubber and tin comprising the main commodities for local consumption and export. Substantial surpluses of rice in particular have been in demand by staple food importers in Southeast Asia and beyond. However, from time to time, agricultural output is subject to serious problems of drought, floods, crop damage by pests, fertilizer shortage and adulteration by dealers, and increasing production costs. Furthermore, by the mid-1970s, population pressure and the gradual expansion of cultivation had used up most of the easily accessible land, and for the first time land was no longer plentiful and freely available. Land disputes became more frequent, with traditional *de facto* occupation rights being superseded by modern laws of which farmers were often unaware, and landlessness and land tenancy increased sharply.[2] In 1975, the Land Reform Law was decreed providing the means for transfer of legal ownership of paddy and field crop lands to the landless, the small-holders and the tenant farmers. Fluctuating commodity prices on world markets served to compound the difficulties encountered by the primary sector which nevertheless has shown remarkable resilience in the face of adverse policies and changing governments, mainly through diversification, modernization and expansion.

Manufacturing. Industrialization began from a very low level in the 1950s. Traditional manufacturing activities were of two major types: the milling of rice and lumber, and the production of small-scale handicrafts such as pottery and home-woven textiles, all of which still play a role. As in other countries of the region, modern manufacturing was promoted in order to achieve diversification, to supplement earnings and to absorb surplus manpower. Initial response was poor despite government incentives and it was not until the mid-1960s, with increasing United States military expenditure and foreign investment that a significant, modern manufacturing sector began to emerge. Early emphasis was on import substitution although this policy was not effective until the late 1960s, and even then this process was itself often import dependent and the traditional export

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sector suffered because of high levels of protection for finished products and an overvalued currency.

Throughout the 1970s, more active measures were taken to promote manufacturing exports and to discourage excessive imports. During this period the promotional incentive scheme was somewhat rationalized although the bias against small firms persisted. However, over and above policy considerations, modernization generally, and the expansion of modern manufacturing in particular, have highlighted another critical issue in Thailand's economic development programme: a chronic infrastructural deficiency in energy. Thailand's energy imports, which account for about 75 per cent of its total energy requirements, amounted to 44 per cent of the value of all exports in 1982,[3] despite initial outputs of natural gas from the Gulf of Thailand which came on stream in 1981.

Economic Development. The structural problems which have persisted into the 1980s were directly addressed as the central theme of the fifth five-year national economic and social plan (1982–86) which introduced a series of major economic policy reforms. These have been designed to intensify agricultural productivity, gear up existing industries for increased exports, curb energy imports and continue to bring about realistic energy pricing policies. A further aim is to streamline tax collection, widen the tax base and improve the efficiency of the bureaucracy. The immediate and medium-term objectives are to maintain economic and financial stability, leaving economic growth (which had been an impressive seven to eight per cent annually throughout the 1960s and much of the 1970s) an apparently secondary priority.[4]

The full impact of these policies is yet to emerge. The increasing disparity between the incomes of farmers and urban workers has had the important side effect of promoting the migration of young people into the cities, especially Bangkok. Some commentators have viewed this as the government's longstanding neglect of the traditionally passive farmers, favouring the articulate minority at the expense of the rural majority. Alternatively, this approach can be viewed as a result of government policies dominated by considerations calculated to maximize government revenue and foreign exchange earnings, and to subsidize urban consumption.[5] Instead of assisting farmers to optimize production, to diversify and consequently improve their position, Thailand's development strategy in the past had been to promote industrialization by heavily taxing rice exports from the traditional sector. This then highlights the discontinuity between national economic development and individual economic well-being, which is the underlying premise of this paper.

Dimensions of the Labour Force

Participation in the Labour Force. At the 1980 census, just over two-thirds of the total population aged eleven and above, amounting to nearly 22 million people, were classified as economically active. Although this represented a significant

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TABLE 2
THAILAND: ACTIVITY STATUS OF THE POPULATION, 1970 and 1980[a]

	1970			1980		
	Males	*Females*	*Total*	*Males*	*Females*	*Total*
Economically Active						
thousands	8,910.8	7,939.4	16,850.1	11,814.6	9,976.3	21,790.9
per cent	80.4	69.8	75.0	74.0	60.8	67.3
Economically Inactive						
thousands	2,023.3	3,234.3	5,257.6	3,763.7	6,076.3	9,840.0
per cent	18.3	28.4	23.4	23.6	37.1	30.4
Unknown						
thousands	146.0	207.9	353.9	383.2	343.4	726.6
per cent	1.3	1.8	1.6	2.4	2.1	2.2
Total						
thousands	11,080.0	11,381.6	22,461.6	15,961.5	16,396.0	32,357.5
per cent	100.0	100.0	100.0	100.0	100.0	100.0

[a] Eleven years of age and over

SOURCE: Derived from National Statistical Office, *1970* and *1980 Population and Housing Census* (1973 and 1983).

decline from the 75 per cent participation rate of the 1970 census, the labour force had grown by almost five million people during the intercensal period, 1970–80. This expansion of the labour force by 29 per cent was much smaller than the 44 per cent increase in the population aged eleven years and over, and consequently there was an increase of more than 87 per cent in the population classified as economically inactive from 1970 to 1980 (Table 2).

The decline in the participation rates occurred for both males and females. Although there was a predictable reduction in the participation of those at younger ages as educational opportunities increasingly offered an alternative to employment, and those at older ages, especially males, showed a predilection for withdrawal from the labour force, there was also a more general decline at all ages (Figure 1). This overall reduction in participation rates for all ages was particularly notable for females and, because of the generality and evenness of its occurrence, hinted at a different application of the criteria for determining those who were active at the two censuses. The rates of participation for Thai females have consistently recorded exceptionally high levels, particularly because of the general inclusion of large numbers of unpaid family workers[6] who, in other countries using different criteria, have often been omitted from the formal labour force. It is therefore argued that, while the impact of education affected the participation of both males and females, and the shift towards increasingly urban and formal occupational structures would have reduced participation at all ages for both sexes (but

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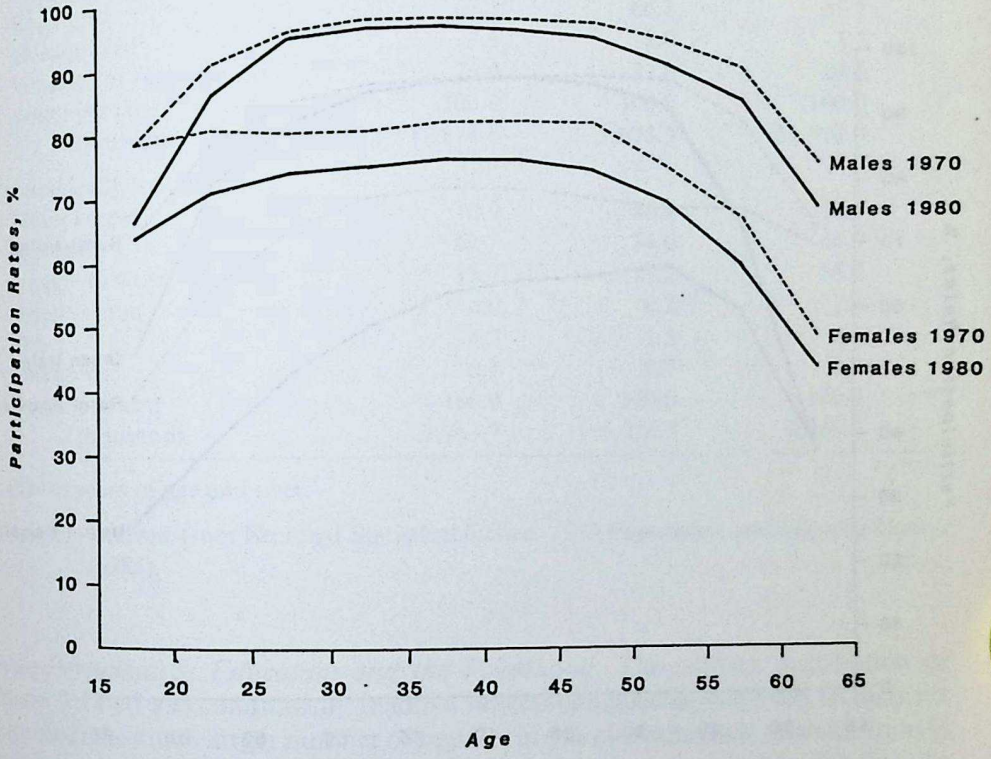
FIGURE 1
THAILAND



especially for females), an additional factor — change in the definition of a worker — reduced the female activity rates more than the male. Nevertheless, the rates, particularly for females, remain high.

The basic features of the sex and age-specific participation rates in the 1970 and 1980 labour forces are replicated in an accentuated form in the rural and urban labour forces in 1980, highlighting the influence of urbanization and modernization (Figure 2). Whereas the male distribution records a later than average entry to and earlier exit from the urban labour force, the female distribution hints at different considerations for urban and rural female workers: in addition to substantially lower rates throughout, urban participation rates are highest at young ages and drop away quickly at ages in the mid-forties, whereas there is little

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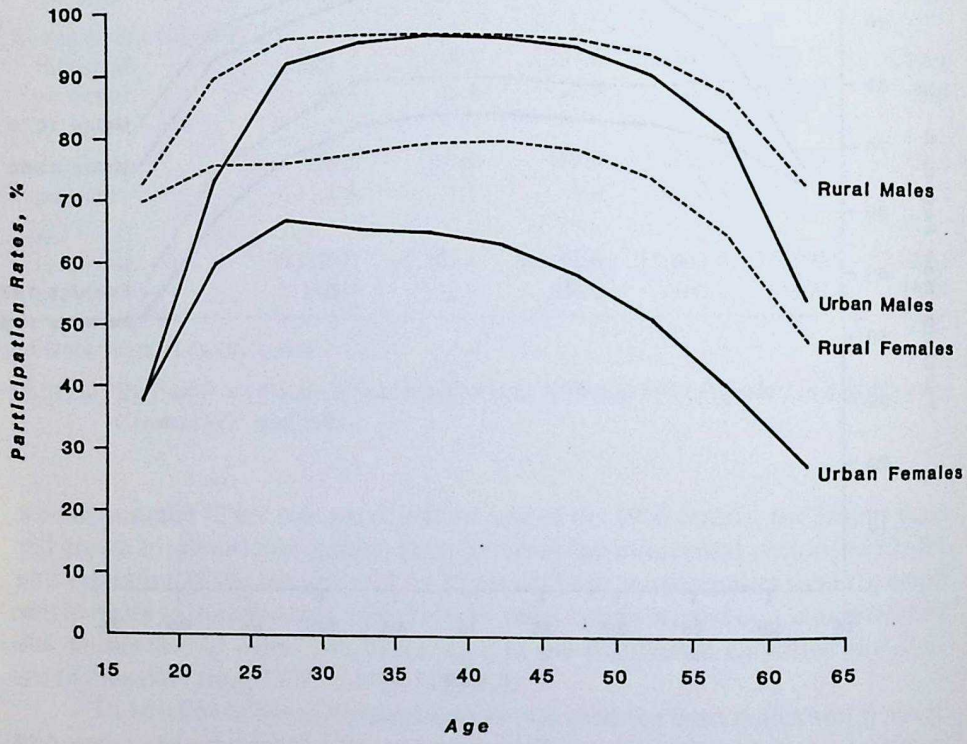
FIGURE 2
THAILAND



variation in rates for rural females between the ages of 20 and 50. The participation rates of those over 50 years decline rapidly but are nevertheless still close to 50 per cent for rural women in their early sixties.

The dominance of agriculture in providing opportunity for economic activity in Thailand and the consequent ambiguity of standard census definitions is further demonstrated in Table 3. Two-thirds of those currently in the labour force were recorded as "employed" but most of the final one-third, other than the small proportions unemployed, were distinguished as workers "waiting for the farm season". Farming activities were clearly regarded by this large group as their principal employment but seasonality, together with the timing of the census, made their current status somewhat ambiguous.

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TABLE 3
THAILAND: ACTIVITY STATUS WITHIN THE ECONOMICALLY ACTIVE AND ECONOMICALLY INACTIVE SECTORS BY SEX, 1980[a]
(Percentage of sector)

	Male	*Female*	*Total*
Economically Active			
Employed	67.5	66.1	66.8
Unemployed	3.5	2.9	3.2
Waiting for farm season	29.0	31.0	29.9
Total: per cent	100.0	100.0	100.0
thousands	11,814.6	9,976.3	21,970.9
Economically Inactive			
Housekeeper	10.9	46.4	32.8
Student	62.5	34.0	44.9
Unable to work	15.7	17.2	16.2
Priest or nun	6.0	0.2	2.4
Other	4.2	1.5	2.5
Unknown	0.8	0.7	0.7
Total: per cent	100.0	100.0	100.0
thousands	3,763.7	6,076.3	9,840.0

[a] Eleven years of age and over.

SOURCE: Derived from National Statistical Office, *1980 Population and Housing Census* (1983).

Non-Participants: Education and the Priesthood. The activity distribution of those defined as economically inactive reflects the alternatives open to each sex although the much larger number of females in this class and their concentration in the housekeeper category makes direct comparisons somewhat misleading. In particular, although more males are in education, as the distributions suggest, the ratio of students in the 11–24 age group is about 114 males for every 100 females (the sex ratio at these ages is virtually at parity) so that although the education of sons is clearly favoured, females are not as under-represented as might superficially appear particularly at the younger, schooling ages (11–14).

Another significant feature, distinctively Thai among the countries of the Association of Southeast Asian Nations (ASEAN), is the substantial number of males who are Buddhist priests. Although many remain in the priesthood for only a few weeks or months, at any given time many thousands of males are consequently classified as economically inactive. In 1980, priests numbered 225,000, nearly 60 per cent of them aged 11–24; by contrast the total number of females recorded as nuns was just under 12,500. Whereas priests were relatively over-represented in the rural population (over 86 per cent compared with 83 per cent for the population as a whole), students were under-represented (72 per cent for both sexes combined),

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reflecting greater opportunity and the location of many educational institutions in urban localities.

The impact of the practice of Thai males joining the priesthood, in the tradition of Theravada Buddhism, occurs in three distinct ways. Among young males, the practice of spending a period as a novice monk is regarded as meritorious but quite temporary. Between graduation from school at about 15 and marriage at around the age of 20 many young men serve in the village *wat* (temple), remaining within their own communities and, while not active in physical labour during that period, are still an integral part of the seasonal rhythm of community life. This is the group most likely to affect labour-force participation but the temporary nature of their attachment to the priesthood and the localized effects, spread over all but the southernmost *changwat* (provinces) of the country, make the impact of their absence from the formal labour force relatively diffuse.

The second group comprises males over the age of 20 who are granted three months special full-paid leave from government departments, certain branches of the armed forces, and larger private corporations. They enter the monastries during the rainy season which is the period during which the itinerant activities of the monks temporarily cease, in order to study and meditate. Although their work input is curtailed, they are still employed and revert to their previous positions. The third component is the permanent priesthood, generally comprising maturer men most of whom have adopted this as their permanent way of life. In addition, there are significant numbers of older men who, their obligations to their families concluded, seek merit in spending the remainder of their lives in priestly orders. For the most part, members of this group remain permanently outside the ranks of the economically active as conventionally defined.

Distribution by Industry. The Thai economy is strongly based in the rural areas, with continued heavy dependence on farming. Almost three-quarters of the labour force in 1980 was concentrated in the primary sector, the overwhelming majority in agriculture (Table 4). The other major industry groups, none of which accounted for even ten per cent of the total labour force, were personal and community services, trade and manufacturing. Despite the reduced share of the total labour force in agriculture, participation in this sector had increased by nearly four million people between 1970 and 1980, with the relative importance of all other groups increasing at the expense of the primary sector.

The distribution, by industry, of the male and female sections of the labour force is more closely similar than in most ASEAN countries, and because the actual numbers of females active in the labour force is almost as large as that of males (48.3 per cent of the total labour force) females sometimes outnumber males in a specific industry. In particular, economic opportunities in agriculture are clearly more important for females not only in relative terms but also in absolute numbers (8.68 million women compared with 8.62 million men), and similarly for trade in which the female workers outnumber males by a large margin (934,000 women compared with 662,000 men).[7]

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TABLE 4
THAILAND: DISTRIBUTION OF THE LABOUR FORCE BY INDUSTRY AND SEX, 1970, AND 1980[a]
(In per cent)[b]

Industry group	*1970*			*1980*		
	Males	*Females*	*Total*	*Males*	*Females*	*Total*
Agriculture and Fishing	76.5	83.9	80.0	71.6	77.2	74.3
Mining and Quarrying	0.7	0.3	0.5	0.6	0.3	0.4
Manufacturing	4.5	3.7	4.1	6.0	5.6	5.8
Construction	1.8	0.3	1.1	2.4	0.6	1.6
Utilities	0.3	n.s.	0.2	0.4	0.1	0.3
Trade	4.4	5.9	5.2	5.7	8.5	7.0
Transport and Communications	2.9	0.2	1.6	3.3	0.3	1.8
Financial and Business Services	0.2	0.1	0.2	0.6	0.4	0.5
Other Services	8.7	5.5	7.2	9.5	7.1	8.3
Total: per cent	100.0	100.0	100.0	100.0	100.0	100.0
thousands	8,784.8	7,867.5	16,652.3	12,041.3	11,240.1	23,281.4

[a] Eleven years of age and over.
[b] "Unknowns" have been proportionately distributed.
n.s. not significant

SOURCE: Derived from National Statistical Office, *1970* and *1980 Population and Housing Census* (1973 and 1983).

The largest percentage point increase for males occurred in manufacturing, followed by trade. A similar shift occurred in the deployment of the female labour force but with an even larger increase and in the reverse order (that is, trade followed by manufacturing). The expansion of personal and community services was the next most important for both sexes, and especially notable for females (Table 4).

Rural-Urban Differences. The dominance of agriculture and the rural sector obscures the major differences between the structures of the rural and urban labour forces which, if depicted separately, reflect important, if largely predictable, contrasts in distribution (Table 5).[8] The dominance of agriculture in the rural labour force appears even more overwhelming than in the total labour force and the other main activities are correspondingly reduced in scale. In the urban sector, the predominance of services and trade clearly emerges, particularly in the female

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TABLE 5
THAILAND: LABOUR FORCE DISTRIBUTION BY INDUSTRY, SEX, AND WITHIN URBAN AND RURAL SECTORS, 1980[a]
(In per cent)[b]

Industry group	Urban			Rural		
	Males	Females	Total	Males	Females	Total
Agriculture and Fishing	7.7	7.4	7.5	82.6	87.0	84.8
Mining and Quarrying.	0.4	0.1	0.2	0.6	0.3	0.4
Manufacturing	19.1	19.1	19.1	3.7	3.7	3.7
Construction	7.1	2.3	5.0	1.6	0.4	1.0
Utilities	1.5	0.4	1.1	0.2	n.s.	0.1
Trade	21.3	31.9	25.9	3.0	5.3	4.1
Transport and Communications	11.5	1.7	7.2	1.9	0.1	1.0
Financial and Business Services	3.3	2.4	2.9	0.1	0.1	0.1
Other Services	28.2	34.8	31.1	6.2	3.2	4.7
Total: per cent	100.0	100.0	100.0	100.0	100.0	100.0
thousands	1,845.6	1,408.9	3,254.4	10,195.7	9,831.3	20,027.0

[a] Eleven years of age and over.
[b] "Unknowns" have been proportionately distributed.
n.s. not significant

SOURCE: Derived from National Statistical Office, *1980 Population and Housing Census* (1983).

labour force, with manufacturing only in third place. Urban-based workers in agriculture and fishing comprise a significant group, fourth in importance for females, although for males, transport and communications absorb more labour. To some degree, however, separate treatment of the rural and urban labour force is misleading because of their overall differences in size. Thus, despite the relatively greater importance of trade in the urban labour force (25.9 per cent compared with only 4.1 per cent in the rural labour force), the numbers in trade in the rural areas are larger than in urban. This is clarified if the division of labour between urban and rural sectors is made explicit (Table 6).

Apart from the concentration of primary activities in the rural sector, the most notable feature of the distribution of the labour force between the urban and rural sectors is the predominant rural share of workers in construction, manufacturing and trade. Even personal and community services, transport and communications, and utilities have a major employment function in the infrastructure,

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TABLE 6
THAILAND: LABOUR FORCE DISTRIBUTION BY INDUSTRY, SEX, AND BETWEEN URBAN AND RURAL SECTORS, 1980[a]
(In per cent)

Industry group	*Urban*			*Rural*		
	Males	*Females*	*Total*	*Males*	*Females*	*Total*
Agriculture and Fishing	1.6	1.2	1.4	98.4	98.8	98.6
Mining and Quarrying	9.5	5.0	8.1	90.5	95.0	91.9
Manufacturing	47.2	41.9	44.7	52.8	58.1	55.3
Construction	42.8	45.8	43.4	57.2	54.2	56.6
Utilities	52.6	64.7	54.4	47.4	35.3	45.6
Trade	55.4	45.8	49.8	44.6	54.2	50.2
Transport and Communications	51.9	69.0	53.3	48.1	31.0	46.7
Financial and Business Services	9.7	83.6	81.0	20.3	16.4	19.0
Other Services	43.9	60.3	50.7	56.1	39.7	49.3
Total: per cent	15.3	12.5	14.0	84.7	87.5	86.0
thousands	1,845.6	1,408.9	3,254.4	10,195.7	9,831.3	20,027.0

[a] Eleven years of age and over.

SOURCE: Derived from National Statistical Office, *1980 Population and Housing Census* (1983).

provided by workers with a rural domicile. Only financial and business services emerge as essentially urban-based activities, and even this industry has a significant role in rural districts.

Given the importance of rural production in the economy and the concentration of 86 per cent of the labour force in the rural sector, it is scarcely surprising that both the construction industry and trade activities should be so important in rural localities and form such a major part of rural activity. Similarly, although government policy currently aims at the establishment of modern manufacturing in smaller urban centres outside Greater Bangkok where it has largely been concentrated, traditional manufacturing is still a highly integrated component of activity in the rural sector.

The Nature of Rural Manufacturing. Five types of rural manufacturing have been identified as major contributors to rural growth and employment[9] and these are discussed in order of quantitative importance. Firstly, mining and agro-processing units are located in close proximity to the mines or growing areas because of weight

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reduction or perishability, and processing is aimed at maximizing recovery or increasing quality. For commodities where these considerations do not apply, most processing is urban based. Secondly, production of construction materials is predominantly located in the rural areas. Thirdly, there is widespread distribution of service-type manufacturing. This comprises activities which are increasingly being substituted for home production. Most notable are rice mills, but there is also a wide range of manufacture of highly perishable food products such as noodles, soy bean curds, pickles and ice.

Textiles and handicrafts for export from the regions where they are produced comprise a fourth category. Although much of this production is based on traditional methods and designs, there is also a significant modern component producing such products as fish nets, baskets, and silk. The scale of the production units varies from that of the household to small factories, and commonly relies on female and child labour which is available during agricultural off-seasons. The fifth group comprises manufacturing which has emerged out of traditional blacksmith activities, such as metal workshops making agricultural implements and machinery, most of which are custom-built to local requirements.

There are significant regional variations in the location and type of rural manufacturing. In the north and northeast of Thailand where seasonality in agriculture is particularly marked, the availability of extensive slack-season labour has encouraged the development of textile and handicraft industries. This seasonality of agriculture raises a difficult dilemma for manufacturing: where the industrial processes require high physical capital intensities and high human capital in the form of supervisory, technical and administrative staffs, the reliance on this category of labour in manufacturing is necessarily limited. If the labour force is to participate in peak season agricultural activities, the manufacturing capital stock, both physical and human, will sit idle during that season.

It is precisely for this reason that textile and handicraft activities with low capital and skill intensities are so prevalent in rural areas with high sensitivity. They represent an adaptation to the seasonality of agricultural production which even traditional subsystems have had to make: skilled activities occurring in the agricultural peak season (blacksmithing, carpentry and the like) are performed by specialists, whereas spinning, weaving and sewing, road and dam construction and maintenance have low capital and skill intensities and can be performed in the slack season.[10] It is scarcely surprising, therefore, that in these areas of seasonal agricultural labour demand there is generally a trade-off between capital investment in manufacturing and intensive use of off-season labour so that activities with low capital and skill requirements prevail, maximizing the use of labour where available and minimizing idleness of assets during peak agricultural seasons.

Elsewhere, the effects of seasonality are mitigated by irrigation and double cropping (especially in the Central Plains) and there is a sharper distinction based on specialization of farm households in agriculture and of non-farm households in an increasing array of agro-support activities. Since in such regions the opportunity cost of labour in agriculture is high, resource-independent manufacturing is

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rare. In the south of Thailand, the more even labour demands of rubber growing over the year also preclude a significant amount of resource-independent manufacturing.

The dominant character of most non-farm activities is their multiplicity and wide variety, and their local and limited character. They are firmly embedded in the agrarian structure and originate in the search of rural households for earning opportunities that are compatible with the temporal and locational demands of farming.

Development of Modern Manufacturing. However, it was not with this rural manufacturing sector that the government was primarily concerned as it stepped up incentives for industrialization. The effective development of manufacturing for import substitution in the 1960s, already noted, benefited from an improved infrastructure, mainly in Bangkok, and from protective measures to foster the establishment and expansion of modern manufacturing industries. These policies strongly favoured enterprises producing for the domestic market, and incentives were greatest for production of final finished products based on imported intermediate and capital goods.[11] Such policies and incentives had the desired effect of increasing the contribution of manufacturing to the country's GDP. Furthermore, as a result of more active promotion begun in 1971, there was substantial growth in manufactured exports from the mid-1970s which was reflected in their share of export revenues (Table 1). However, the expansion of manufacturing production and exports was more a reflection of large-scale investment and the capital-intensive nature of many of the new, modern enterprises than of a major redeployment of the labour force in manufacturing.

Sectoral Shift in Employment. The growth of all major industry groups occurring during the 1970s is assessed in employment terms in Table 7. In this table, the 1970 distribution of the labour force is redistributed as for 1980 in order to distinguish the intersectoral shift in the labour force caused by structural changes as a result of normal growth. The change in each sector attributable to normal growth is represented (in column 5) by the difference between the 1980 figure (column 2) and the corresponding redistributed figure for 1970 (column 4). This would have been the change in the sector had the 1970 distribution been the same as the 1980 pattern. The scale of structural change (column 6) is assessed as the difference between the 1970 redistributed figure according to the 1980 pattern (column 4) and the original 1970 figure (column 1) for each sector.

All sectors recorded absolute growth between 1970 and 1980 (Table 7, column 3), with agriculture experiencing an increase in labour force numbers five times that of trade and services, and six times that of manufacturing. However, there was a significant structural shift in the economy throughout the 1970s, reflected in the diversion of labour away from the primary sector, especially agriculture. Trade was the main activity to benefit, gaining almost one-third of the "reallocated" labour resources, with manufacturing gaining nearly 29 per cent,

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TABLE 7
THAILAND: DEPLOYMENT OF THE LABOUR FORCE BY INDUSTRY, 1970 AND 1980
(In thousands)[a]

Industry Group	Labour Force 1970	Labour Force 1980	Change 1970–80	1970 Redistributed as 1980	Difference[b] due to Pro rata Growth	Difference[b] due to Structural Change
	(1)	(2)	(3)	(4)	(5)	(6)
Agriculture and Fishing	13,318.6	17,299.6	3,981.0	12,378.4	4,921.2	−940.2
Mining and Quarrying	87.4	96.8	9.4	68.3	28.5	− 19.1
Manufacturing	688.7	1,345.7	657.0	963.0	382.7	274.3
Construction	183.1	362.5	179.4	258.2	104.3	75.1
Utilities	25.5	61.7	36.2	43.3	18.4	17.8
Trade	858.0	1,640.8	782.8	1,172.9	467.9	314.9
Transport and Communications	270.8	427.9	157.1	304.9	123.0	34.1
Financial and Business Services	25.5	112.1	86.6	80.0	32.1	54.5
Other Services	1,194.7	1,933.9	739.2	1,382.8	551.1	188.1
Total	16,652.3	23,281.4	6,629.1	16,652.3	6,629.1	—

[a] Totals may not add up due to rounding; "unknown" and "not adequately described" numbers have been redistributed.
[b] Column (5) is the difference between columns (2) and (4);
Column (6) is the difference between columns (4) and (1).

SOURCE: Derived from National Statistical Office, *1970* and *1980 Population and Housing Census* (1973 and 1983).

and community and personal services almost 20 per cent. The infrastructural activities of construction, financial and business services, transport and communications, and utilities reflected the impact of development policies and investment in the growth sectors.

Marked spatial variations, previously alluded to, can be identified on the basis of industry groups in the labour force. The concentration of non-agricultural activities in Greater Bangkok is particularly notable (Table 8). If the share of the total labour force (column 1) is regarded as the "expected" distribution of each sectoral activity, Bangkok has more than three times its share of manufacturing, trade, and community and personal services. Other major features include: an even larger share of manufacturing in the central region (in which Bangkok is located) outside the metropolitan area but influenced by it; a disproportionate concentra-

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TABLE 8
THAILAND: REGIONAL SHARE OF THE TOTAL LABOUR FORCE, BY MAJOR INDUSTRIAL GROUPS, AND OF UNEMPLOYMENT, 1980[a]
(In per cent)[b]

Region	*Total Labour Force*	*Agriculture*	*Manufacturing*	*Trade*	*Community and Personal Services*	*Unemployed*[c]
Northern	22.3	24.7	13.3	18.5	16.1	17.7
Northeastern	35.0	43.4	10.2	15.1	18.6	23.1
Central	22.1	19.0	34.8	26.6	24.8	23.9
Bangkok[d]	9.1	0.6	33.0	28.4	29.5	23.6
Southern	11.6	12.2	8.6	11.4	11.0	11.6
Whole Kingdom						
per cent	100.0	100.0	100.0	100.0	100.0	100.0
thousands	21,841.2	15,530.4	1,267.3	1,555.7	1,856.0	622.7

[a] The four industrial groups listed account for 92.5 per cent of the country's labour force.
[b] Totals may not add up due to rounding.
[c] The "unemployed" come from a slightly different data set (economically active); the other columns are all drawn from the same "industry group" data.
[d] Administratively, Bangkok is part of the central region but, because of its major role, the 1980 census lists it separately.

SOURCE: Derived from National Statistical Office, *1980 Population and Housing Census*, regional volumes (1983).

tion of trade and services in the central region; and the location of over two-thirds of all agricultural workers in the northern and northeastern regions.

Seasonal and Longer-Term Migration. The regional differences in type and scale of activity are significantly affected by migration of labour despite the generally low mobility of the Thai population as a whole. There is an important distinction to be drawn between seasonal or temporary migration and longer-term or permanent migration. As in most countries, the majority of migrants move only short distances, and much of the movement is within the rural sector. Although the proportional growth of the population in urban centres is accelerating, the rural to urban migration flow constitutes only about one-tenth of recorded movements.

Census data, because of their cross-sectional character, do not reveal the magnitude or direction of seasonal labour movements but the evidence suggests that seasonal migration is pervasive and large. The principal source areas are the north and northeast, with the primary destinations being Bangkok, the central provinces and the south. Although Bangkok is the destination for the majority of seasonal migrants there is also a large rural to rural movement particularly into the sugar-cane areas in the central *changwat* which are reported to employ up to 75,000 migrant workers each season. Organized recruitment by the sugar-cane farmers and their associations includes provision of trucks to transport workers

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from the northeast. The other significant agricultural employment for seasonal workers from the northeast is in the fruit orchards in the southern and eastern central *changwat*.

There is little information also about the flow of seasonal workers to non-agricultural employment in Bangkok, but estimates indicate that numbers exceed 100,000 per year. They are predominantly female and young, a movement attributed at least in part to the growing demand for young women to work as domestic servants. The absorption of male and female migrant workers into the Bangkok economy is supported by a complex of formal and informal networks providing job information, and employment agencies also play a role in temporary or seasonal placements, mainly in construction, services and small-scale manufacturing.

Seasonal employment and a substantial amount of circular migration serve as mechanisms for the acquisition and transformation of information about, and experience in, alternative employment which may lead to longer-term or permanent migration. Such migrants tend to be better educated than non-migrants in places of origin but do not compare so favourably with non-migrants at their places of destination. Nevertheless, the recurrent concern that migrants contribute substantially to urban unemployment does not appear to be the case in any direct sense. Migrants usually have lower levels of unemployment than established residents. However, this seems to be achieved by large numbers of migrants, particularly females from rural areas, engaging in unskilled and semi-skilled occupations such as domestic work and other services. Migrants, often lacking any other support system, may have little option but to accept types of work at wage levels which non-migrants avoid, and in this way can indirectly contribute to unemployment by undercutting others in the competition for jobs, simultaneously depressing wage rates.[12] This type of phenomenon, together with the circular nature of much of the migration in Thailand, has been favourably interpreted as an important contributor working towards the equalizing of incomes and wages of well-defined education groups across Thailand. Thus, migration is an important partial substitute for regional development assistance even though flows have not been sufficiently high to equalize the substantial income gradient between the outer regions and the more central ones.[13]

Occupational Status

Virtually half of Thailand's labour force (49.6 per cent) comprises unpaid family workers. In the rural sector, the proportion exceeds three-quarters of all females and more than one-third of all males (Table 9). However, even in the urban context 22 per cent of economically active women provide unpaid labour in family enterprises. A further 30 per cent of the total labour force comprises self-employed workers: in the rural context these are generally farmers, predominantly male, whose families provide the unpaid labour; in the urban context, females are almost

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TABLE 9
THAILAND: OCCUPATIONAL STATUS OF THE ECONOMICALLY ACTIVE, BY SEX AND RURAL AND URBAN SECTORS, 1980[a]
(In per cent)

	Urban			*Rural*			*Total*
	Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Both Sexes*
Employer	1.0	0.4	0.7	0.1	0.0	0.1	0.2
Employee (total)	65.9	53.8	60.7	16.9	10.1	13.5	20.1
Government	19.9	14.3	17.5	5.5	2.0	3.8	5.7
Government Enterprise	6.0	2.3	4.4	0.6	0.2	0.4	1.0
Private	40.0	37.2	38.8	10.7	7.9	9.3	13.4
Self-employed Worker	25.1	23.4	24.3	48.3	12.7	30.9	30.0
Unpaid Family Worker	7.6	22.0	13.8	34.5	77.1	55.4	49.6
Unknown	0.4	0.4	0.4	0.1	0.1	0.1	0.1
Total							
thousands	1,845.6	1,408.9	3,254.4	10,195.7	9,831.3	20,027.0	23,281.4
per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[a] Eleven years of age and over.

SOURCE: Derived from National Statistical Office, *1980 Population and Housing Census* (1983).

as likely as males to have this self-employed status as their opportunities to operate an independent enterprise are relatively greater than in the rural sector.

Only in the urban labour force do employees emerge as a major category, exceeding 60 per cent of all workers and almost two-thirds of active urban males. Employees are distributed between the private sector and government departments or government enterprises in a ratio of about two to one. Representation of males and females among the subcategories of employees is of the same order within their respective labour sectors (Table 9); the contrasts occur between the urban and rural workers.

The significance of the patterns of occupational status lie in their implication for an increasingly urbanized, non-agricultural labour force. Opportunities for working in family enterprises in the urban areas are fewer and programmes of modernization and industrialization favour the increasingly formal organization of limited liability and public companies and corporations, and increased capital inputs. Continued emphasis on and support for larger enterprises producing export goods predominantly in or near Bangkok is likely to continue the existing trend towards a more formalized employer-employee

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structure into which entry of rural workers, and women in particular, is somewhat constrained. Nevertheless, agriculture will undoubtedly continue to employ the majority of the labour force and to produce a large net surplus of commodities for export. The dynamism of commercial agriculture and of crop diversification reflect the vitality of the agricultural sector[14] although the implications for the labour force of marked increases in mechanization particularly in the central region of Thailand have not yet been rigorously assessed.

Unemployment. The unemployment rate recorded by the 1980 census was low: 3.2 per cent of the labour force. The rate for males was 3.5 per cent and for females 2.9 per cent. Despite these relatively low rates, however, the numbers unemployed exceeded 700,000 people, 60 per cent of them males. Three-quarters or more of both male and female unemployed were new workers who had not worked previously and, whether "new" or "experienced" workers (Table 10), the majority were young, concentrated in the 15–19 age group, and to a slightly lesser degree in the 20–24 age group.

Although both the urban and rural sectors had this basic unemployment pattern, two additional features emerge when the labour force is divided between these two sectors. Firstly, urban unemployment in 1980 was 6.7 per cent, and in this case female unemployment (7.0 per cent) exceeded that of male (6.4 per cent), highlighting the problem previously alluded to of reduced job opportunities for females in the urban context. By contrast, rural unemployment was 2.6 per cent, with 2.9 per cent for males but only 2.2 per cent for females. Secondly, urban unemployment is almost entirely a new worker problem (96 per cent of all urban unemployed, with a slightly higher percentage for females) whereas in the rural areas, although this element was predominant (68 per cent of all unemployment)

TABLE 10
THAILAND: UNEMPLOYED, BY PREVIOUS WORK STATUS AND SEX, 1980[a]
(In per cent)

	Male	*Female*	*Total*
Unemployed			
Experienced worker	25.4	18.8	22.7
New worker	74.6	81.2	77.3
Total: per cent[b]	3.5 (4.9)	2.9 (4.2)	3.2 (4.6)
thousands	413.7	287.2	700.9

[a] Eleven years of age and over

[b] Percentage of total economically active; figures in brackets provide an alternative assessment of unemployment by excluding those "waiting for farm season" from the economically active (that is, the denominator).

SOURCE: Derived from National Statistical Office, *1980 Population and Housing Census* (1983).

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those who had previously worked were also seriously affected. Hence, while urban unemployment is a serious problem for both sexes, employment opportunities are reasonably good once the first job has been secured.

The regional distribution of the unemployed confirms the contrast which is apparent in the rural-urban dichotomy. The areas in which the majority of the agricultural labour force is located have relatively small shares of the country's total unemployment (Table 8, final column). By contrast, Bangkok, with 9 per cent of the labour force has nearly 24 per cent of unemployment, whereas the central region, with less agriculture and more manufacturing than the regions to the north, has only slightly above its "expected" proportion of the country's unemployment.

Conclusion

The Thai labour force exemplifies many of the characteristics associated with basically agrarian economies which are attempting to diversify into manufacturing as part of the broader process of modernization and urbanization. Although the labour force is still overwhelmingly rural and in agriculture, it is becoming more urban and expanding into such activities as manufacturing, trade, and community and personal services. Reduced activity levels, particularly for the young and older workers, reflect increased educational opportunity and expanding participation in formal work structures. For females, this adjustment has not only reduced work opportunities (which are greatest in the rural areas) but has increasingly shifted their role from unpaid family worker to self-employed worker, or employee, a trend also affecting males but in a less constraining way. Such change towards the increasingly structured and urban-based labour market brings with it the heightened risk of unemployment especially for the younger, inexperienced workers.

The performance of the economy does not provide a precise reflection of this human component. Although the role of agriculture is still fundamental, other less labour-intensive activities make a greater contribution than the allocation of labour resources implies. In particular, manufacturing has surged forward during the 1970s and 1980s as the major component in the economic development programme. Yet here, too, the relationship between labour force and production is neither simple nor direct: the large rural manufacturing component plays only a modest part, and it is the modern manufacturing sector, which is much more capital intensive, that accounts not only for the greater proportion of production but also for virtually all manufacturing exports.

These changes in the dimensions of the labour force generally collaborate to confirm the expectations of increased centralization and progressive dominance by the central region, and especially Bangkok. Since the main developmental thrust has been towards expanded modern manufacturing, the dominance by the one large metropolitan area and the relatively ineffectual efforts at decentralizing manufacturing have inevitably encouraged young migrants to move from rural areas devoted to agriculture to the improved prospects of work in factories and service industries, even if such opportunities prove temporarily elusive.

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A Re-assessment of Political and Communal Factors in the Abolition of Elected Local Government in Malaysia

SIMON BARRACLOUGH

Opinions on the question of whether political and communal motives were involved in the Malaysian Government's decision, finally announced in 1971, to abolish elected local government are sharply divided. On one side, Alvin Rabushka, in a study published in 1970, has unequivocally maintained that the then Alliance Government refused to restore elected local government primarily because it was motivated by the desire to ensure Malay political hegemony in the face of non-Malay urban opposition.[1] Writing in 1973, David Harner, in seeking to explain the Federal Government's refusal to allow elected local government in Kuala Lumpur, has argued that "fear of the possibility of partisan actions of an extreme nature, by some future council of Kuala Lumpur was an important reason for the passage of the act". According to Harner, if "an extremist council with Communist or racist leanings" was elected, it might deliberately seek to embarrass the Federal Government by encouraging unruly demonstrators or enacting obstructive by-laws.[2] Leaving aside Harner's less-than-objective treatment of the regime's opponents, it is clear that, like Rabushka, he sees political motives as highly significant in the abolition of elected local government.

The Democratic Action Party, Malaysia's principal urban-based opposition party of the post-1969 period has regarded the abolition of local elected government as a deliberate political ploy aimed at further increasing the power of the ruling party.[3] Veteran opposition figure Dr Tan Chee Khoon branded the government's policy on local elections as "a tragic story of broken promises" and condemned them as taking Malaysia back "to the conditions prevailing before World War II. Then we had nominated members serving in various town or sanitary boards. Then too, we were under the British Raj and it suited them to have a nominated council responsible to no one and one which they could manipulate to serve their imperial aims".[4]

However, in the only detailed study of the abolition of elected local government in Malaysia, completed early in 1973, Paul Tennant has rejected suggestions that the Alliance Government was motivated by communal and partisan considerations in its decision to dismantle respresentative local government, concluding that:

> Specifically, the abolitions have not been a device used by the national Alliance Party to undermine local opposition (although the party factor has been significant within individual states), nor can the abolitions be explained as a device of

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> the Malay national majority to weaken the position of the Chinese urban majority. Instead, the existence of corruption and inefficiency within the elective councils paved the way for state officials to eliminate the nuisance of independent local decision makers, and to expand the sphere of state influence by abolishing the major elective local governments. More basic still, however, is that elective local government was a late colonial intrusion which did not flourish within the Malaysian political system.[5]

Among the evidence presented by Paul Tennant for this conclusion is the fact that at both the 1961 and 1963 local government elections, the Alliance gained approximately 50 per cent of the vote and 70 per cent of the seats. The "Alliance was not in a position of declining strength locally and any harm to local parties and office holders would be greater for Alliance supporters than for all other parties combined".[6] Moreover, the Alliance had, in the past, shown its toleration of opposition participation by not actually abolishing local councils, in addition to suspending elections, as it was empowered to do under legislation. It had also continued to allow opposition representatives to replace colleagues who had died or resigned from councils and not used the opportunity of the vacancies to nominate its own party members. Furthermore, many of the local councils abolished were actually Alliance-controlled. In fact, in both Penang and Kelantan, local councils had already been abolished by non-Alliance governments. Thus, the *Gerakan Rakyat Malaysia* state government in Penang had abolished several Alliance-controlled rural councils, while *Parti Islam Se Malaysia* (PAS) had done away with seven elected town councils in Kelantan controlled by the Alliance.

In discounting the "Malay dominance hypothesis", Tennant uses an intricate set of variables to examine the linkage between ethnic composition in the state assemblies and local councils and concludes that in the majority of cases there is no support for the hypothesis that the Malay majorities used their political power to deprive non-Malay local majorities of position and influence.[7]

With the benefit of hindsight, an examination of documentary evidence from committees established by the government itself to investigate the ramifications of the elected local government and an awareness of the conditions prevailing in the period when the future of elected local government was being considered, it is possible to reassess the significance of political and communal pressures in the decision to abolish popularly elected local government.

It should be noted at the outset of this reassessment that it is virtually impossible to separate effectively the "political" from the "communal" in the case of most urban areas. This is due both to the fact that most of these areas were, at that time, predominantly non-Malay and to the communally-charged atmosphere of the immediate post-1969 period.

The Abolition of Elected Local Government

Elected local government had been gradually introduced by the colonial authorities, not only as a pedagogic device for future national elections, but also to involve

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the population in grassroots participation as part of the strategy to counter communist insurgency.[8] Indeed, the Alliance Party was itself born of the successful co-operation of the United Malays National Organization (UMNO) and its non-Malay partners at the 1952 Kuala Lumpur municipal elections.

In 1965, however, elected local government fell casualty to the emergency measures taken to counter the threat of Indonesian *Konfrontasi*. Under the Emergency (Suspension of Local Government Elections) Regulations 1965, no further elections were held and the relative positions of the parties in local government were maintained by the nomination of replacements. The then Prime Minister, Tunku Abdul Rahman, pledged that the suspension would be lifted as soon as hostilities ceased.[9]

The end of *Konfrontasi* did not see the restoration of local government elections, and the government maintained the emergency provisions whilst appointing a Royal Commission to investigate and recommend major reforms in local government. Due to the 1969 inter-communal riots, emergency conditions once more delayed developments in local government, and the Commission's report was not tabled in Parliament until 1971.

The Royal Commission recommended that competitive elections for local government be retained, observing that:

> As a technique, democracy is slow, cumbersome and expensive. Nevertheless, there is strong force in saying that democracy should continue to be identified with local government in this country as in the case of the Federal and State Governments. True, it has not worked effectively in most local authorities, particularly the Local Councils. The remedies lie not in doing away with democracy but in finding suitable avenues to invigorate it.[10]

Moreover, a committee set up by the Alliance Government itself to review the findings of the Royal Commission reported that:

> . . . we agree with the Commission's recommendation that party politics should be allowed to continue despite its good and bad aspects and those who wish to stress their faith in non-conformism should have the right to stand as "independent" as in the past.[11]

However, despite these recommendations, and before the Commission's report had been formally tabled in Parliament, the Minister responsible for Local Government, Dato Ong Kee Hui, told Parliament that in view of Malaysia's small size and "taking into account what transpired in the country since the last General Election" the government had decided that representative local government was both unnecessary and redundant.[12] This decision found legislative expression in the Local Government (Temporary Provisions) Act, 1973 under which all elected local governments were abolished, all office holders under

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previous arrangements were dismissed, and the power to appoint local government representatives vested in the various state governments.[13]

In justifying its decision against opposition charges of political opportunism, the government cited a number of imperatives based upon the primacy of goals of national development. Tun Abdul Razak maintained that:

> With very few exceptions, the elected local authorities have not worked well. There has been no improvement over the years — and, if at all, things have got worse . . . The fact is there are simply not enough people to serve on elected bodies at local, state, and national levels. As a result the elected local authorities have not worked well. It is quite clear to us in the Government that it would be a waste of time, money and resources for elections at this level when there is full opportunity for the people to participate at the state and national level.[14]

Political Motives for Abolition

Whilst there were undoubtedly a number of valid arguments for the abolition of elected local government on grounds of administrative efficiency, there were also a number of grounds which were clearly political, in terms of both party politics and communalism.

Urban areas, especially in the period under discussion, were usually the strongholds of non-Malay opposition parties. Urban areas were continually expanding and were relatively immune from fiscal discrimination by the central government since they were inextricably linked with national development policies. Local government in the urban areas, therefore, had a ready potential as a power base for opposition parties.

The Alliance Party had frequently faced keen competition at local government elections. In 1956, the Alliance lost all eight seats which it contested in the Penang municipality, and the Socialist Front managed to capture 11 of the 37 seats contested at the 1957 Malayan municipal elections. An examination of the results of the last three years in which local government elections were permitted reveals significant pockets of opposition strength. For example, in Perak in 1962, the People's Progressive Party (PPP) held 225 seats to the Alliance's 463, while in Kelantan PAS was returned in 119 seats to the Alliance's tally of 88 seats. At the 1963 local government elections in Penang the Socialist Front won 22 seats to the Alliance's 45 seats.[15]

In the politically-charged atmosphere of the post-1969 period, any urban local government elections were almost certain to return a majority of opposition candidates — an eventuality which the Alliance Government regarded as both unacceptable and unnecessary. Indeed, the overall influence of the events of 13 May 1969 upon Malaysia's national leadership should not be underestimated. The bloody communal riots had been almost totally an urban phenomenon in which Malays had given violent expression to their resentment at what they saw as the erosion of their political power at the hands of non-Malays. Since many of the larger urban centres were also state capitals, their political domination by non-

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Malays was, from a Malay perspective, symbolically unpalatable. Moreover, given the heightened emotions at that period, such a development risked ominous future repercussions.

In addition, in the years following the May 1969 incident, there was a growing and obvious disenchantment with "politicking", which was blamed by the Alliance government for communal unrest and violence. Tun Abdul Razak was later to recall:

> In a developing nation like ourselves, too much politicking is neither desirable nor conducive to the attainment of our ultimate national objectives of unity and prosperity . . . In our Malaysian society any form of politicking is bound to follow along racial lines and will only enhance the divisive tendencies among our people and thereby become an impediment to the nation's progress.[16]

Those in power, therefore, took the view that, wherever possible, overt political participation should be limited.

Given past experience, the obvious potential of urban areas as opposition bases of support, and the consequences in terms of communal sensitivities (especially in the symbolically important state capitals), as well as the disenchantment at the time on the part of those in power with Westminster-style participatory democracy, it is not surprising that the Alliance Government did not hesitate to eliminate a whole level of open contestation from the political process.

Further indications of political and communal considerations in the decision to abolish elected local government are to be found in the report of the Prime Minister's own administrative research unit on the recommendations of the Royal Commission. In a section specifically devoted to political considerations, the report observed:

> The existing political system in West Malaysia has already resulted in different political parties gaining control of different units of government at different levels, thereby creating a number of difficult problems in the vertical inter-governmental relationship, especially in the area of socio-economic development. The highly centralised nature of the existing federal financial structure has necessarily given the Federal Government the power and the capacity for national socio-economic development and planning. Since West Malaysia is only a small political entity, it is not considered to be in the national interest to create a large number of political entities resulting in more serious problems of inter-governmental relationships, especially at the present stage of socio-political development.[17]

The same report also recognized the communal dimension in local government, arguing that:

> Party politics at the local level in this country has a natural tendency to fall on racial lines. Since the racial distribution in West Malaysia has an urban-rural

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> characteristic, there is a high probability that, more often than not, the recommended system of local government would lead to predominently one race, either urban or rural, controlling the affairs of another comprising largely of another race. There is validity, therefore, that a national local government system, on the basis of partisan democracy, covering every square inch of land in West Malaysia, as recommended by the Royal Commission, could lead to or result in a disequilibrium in the delicate inter-ethnic, politico-economic power structure, a social phenomenon which in turn could lead to instability, disunity or even national disaster. May 13th is an outstanding example.[18]

In view of the risks of another May 13 incident, continued the report, it was necessary to strengthen the government's capacity to "contain all future political activities within the bounds of approved norms".[19]

The link between party politics and the abolition of representative local government was clearly discernible in the case of the 1971 coalition negotiations between the ruling Alliance Party and the People's Progressive Party. The PPP was a predominantly non-Malay opposition party with strong roots in Perak, and in Ipoh in particular. The PPP's main stronghold was the Ipoh municipality, which it had controlled since the days of elected local government. In the post-1969 period, the then Prime Minister, Tun Abdul Razak, had actively sought to build an expanded coalition incorporating many of the parties which had won seats from the Alliance at the 1969 general election. This strategy was seen as one of the ways of ensuring political stability and restoring communal harmony. In negotiation with the PPP, Tun Razak was able to play the trump card of the impending abolition of elected local government to secure the acquiescence of the former opposition party to the coalition. As Diane Mauzy recounts in her detailed study of Tun Razak's coalition-building activities:

> . . . it appears that this coalition was thrust upon an at least somewhat reluctant PPP . . . because of the threat of the PPP losing its control of the Ipoh Municipal Council.[20]

Tun Razak personally reassured the PPP that it would be allowed to retain control of the Ipoh municipality, which would be excluded from any future reorganization of local government.

However, following the PPP's decline after the 1974 general election and the death of its founder-President, Datuk S.P. Seenivasagam, the party's control of the Ipoh Municipal Council was gradually removed. The PPP was forced to accept more representatives of its coalition partners on the council to the point where it eventually lost its majority. By 1979, the PPP was holding only 6 of the 20 seats on the Municipal Council. Moreover, the Municipal President was no longer appointed from the ranks of the PPP but rather from its erstwhile rival, the Malaysian Chinese Association. In 1980, the Perak state government decided that the *Menteri Besar* (Chief Minister) would be appointed the permanent President of

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the municipality. There was considerable controversy over this decision since it had previously been felt that the predominantly non-Malay municipality should be headed by a non-Malay. Malays were also appointed to head the local government in several other predominantly non-Malay urban areas, including Malacca.

The subsequent pattern of appointed local government displayed an almost total political bias towards the ruling *Barisan Nasional* (BN). As Malcolm Norris observed, the subsequent composition of local government consisted predominantly of:

> . . . representatives of commercial and professional interests of known political loyalty, with the total exclusion of Opposition supporters.[21]

In a few instances, the opposition Democratic Action Party was offered representation on local government, but only after the party had publicly stated its intention to boycott such offers in protest at what it regarded as curtailment of grass-roots democratic participation.[22] No other opposition party was offered a seat on local councils, and PAS councillors were removed following their party's departure from the *Barisan Nasional.*

Conclusion

The evidence provided in this short reassessment suggests that, while such factors as corruption and inefficiency were important considerations in the decision to abolish representative local government, political imperatives were also significant. Paul Tennant's exoneration of the Alliance Government from charges that it used the abolitions to undermine local opposition requires modification in the light of the evidence. Moreover, with the benefit of hindsight, it is possible to discern the post-1969 years as a period when Malay political power was being reasserted in both symbolic and substantive terms. Given the connection between urban-based opposition and communal conflict, it is difficult to disentangle communal motives from the overall decision to eliminate electoral contestation at the local level. At the same time, the administration of Tun Abdul Razak was manifestly concerned with the sublimation of overt political contestation to the goals of economic development and effective administration. Given that Tun Razak wished to restrain what he dismissed as "politicking", it is understandable that he rejected the recommendations of the Royal Commission to resuscitate competitive politics at the grass-roots level. Yet, despite the fact that such a decision was rationalized in terms of administrative efficiency, it was still political in nature.

In one of the most highly urbanized countries in Southeast Asia, a whole tier of government was effectively removed from open political contestation and replaced with a system based upon the appointment of members or supporters of the ruling party. Whilst a number of valid arguments can no doubt be made for the administrative efficacy of such a system in terms of developmental imperatives, the political consequences have been manifestly beneficial to the ruling coalition.

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The future risk of local government providing a base of opposition support for parties such as the DAP was avoided, while at the same time existing opposition enclaves were eliminated. The political significance of the removal of local government from the realm of open political contestation is clearly demonstrated by the exclusion of any serious participation by opposition parties in the subsequent system.

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The Military and Politics: A Review Article

BALADAS GHOSHAL

Zakaria Haji Ahmad and Harold Crouch, eds. *Military-Civilian Relations in South-East Asia*. Singapore: Oxford University Press, 1985. 368pp.
Christopher Clapham and George Philip, eds. *The Political Dilemmas of Military Regimes*. London: Croom Helm, 1985. 282pp.

One of the most profound developments in late twentieth century politics is the emergence of the military as important political élites and critical political actors. This has signified a trend towards increasingly authoritarian and restricted governments, part of a movement in the Third World as a whole away from both pluralistic party politics and militantly nationalist regimes. In the countries where the military has taken over political power, the apparatus of the state is controlled directly or indirectly by the military establishment: military officers are the key leaders and civilian institutions are subordinated, if not altogether eliminated.

While there are academic debates and disputes regarding the nature of military rule and its effects on society, there is, however, a general consensus that weak and ineffective civilian political institutions have directly contributed to military involvement in politics. When civilian leaders fail to legitimize their governmental authority in a sustainable manner through the creation and development of political institutions capable of aggregating the interests of the masses, fragmentation takes place within society. What emerges is a praetorian society[1] where, because of the absence of unifying orientation, there is no consensus regarding who should be the legitimate authority to allocate the resources, as well as concerning the methods of resolving conflicts within the society. In such a situation, a strong government may appear to the people as more attractive as it provides a welcome relief from social and political chaos. Thus, when the military intervenes, it "intervenes *in lieu of* other social forces or as a substitute for social forces which do not exist".[2]

The wish to enjoy the benefits of political power, although existing within the military of most Third World countries, is not the only explanation for such a phenomenon. Another reason is the fact that the military is the only organized group which is not fragmented socially and politically, and which also possesses the means of violence and arbitrary force. In most cases, military intervention is preceded by the growth of factionalism within the civilian political élites, and breakdown of civilian political structures and constitutional means to conduct

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political action, resulting in civilian leaders turning to the military for political support. In this process the military is drawn into the political arena and its intervention is facilitated by the impotency of civilian leaders to act independently. The military then exercises independent political power within such societies by virtue of an actual or threatened use of armed force.[3]

Authoritarian and militarized governments may also emerge as a result of the inability of the moderate civilian bourgeois leadership to satisfy the needs and aspirations of either the rich or the poor. The socio-economic setting in most Third World countries is being fundamentally shaped by a crisis in capital formation. The scarcity of resources and the rigidity of class privileges in most of these countries make it difficult for the moderate civilian political leadership to maintain stability without redistributive and welfare programmes to pacify the poor. As there is a shortage of capital, economic growth in most of these countries is slow and in some cases stagnant. In these circumstances, attempts at compromise tend to satisfy neither the rich nor the poor, resulting in discontent, instability and economic chaos, thus inviting the military and its allies, particularly the civil bureaucracy and the technocrats, to step into the political arena to impose discipline upon the polity. To pre-empt the degeneration of the bourgeois system into a state of anarchy which could ensue from a conflict of interests between sections of the bourgeoisie and/or a popular uprising, and eventually to contain the revolutionary potential inherent in such a situation, authoritarian measures are resorted to with increasing frequency.[4]

But then, why do some militaries intervene in the political process while others do not? Is military intervention simply a consequence of the political vacuum created by divided civilian élites? How important was the colonial impact on the formation of political attitudes in the military, and why do countries with common colonial experiences not have militaries with similar political attitudes? Are there specific patterns of military-civilian relations or the type of political system that lead or do not lead to a political role for the military? Why do some countries have civilian élites which can prevent military intervention while others do not? Does the nature of military activities serve as a factor for or against military intervention in politics? These are some of the issues to which the authors of *Military-Civilian Relations in South-East Asia* have addressed themselves. While the approach in each of the eight national case studies is different, there has been a sincere attempt to underline a common theme in the political role of the military *vis-à-vis* civilian institutions. The importance of the colonial period and the struggle for independence have been emphasized as a critical factor in the evolution of the role of the military in politics. The authors suggest that where the nationalist struggle was more "gradual", the military's role has been subservient to the civilian authorities, as in Malaysia, Singapore and the Philippines, although in the last country, its role during the martial law regime of President Marcos was quite significant, and in recent months played a pivotal role in the overthrow of the Marcos regime and ultimately in the evolution of the Aquino government. And where the nationalist struggle was violent as was the case in Indonesia, Vietnam,

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Burma, and Laos, the military's role was critical in the independence struggle, legitimizing its subsequent role in the political process.

In countries where the army played an active part in the freedom movements it has a tendency to sustain its political interests. Military leaders may feel that their contribution to and sacrifice for the achievement of independence had been much greater than those of the civilian politicians, and that as a corollary the military has as much right to shape the political destiny of their countries as the civilian leaders. Morris Janowitz characterizes these armies as the "armies of national liberation" in contrast to armies of other types, such as "ex-colonial", "post-liberation" and "non-colonial".[5] The Burmese and the Indonesian armies are examples of such "armies of national liberation". The Burma Independence Army (BIA), the predecessor of the Burmese army, has been called a political movement in military garb. Its leaders, who were politicians before becoming soldiers, continued their interest in politics even while they held military commands. In the case of Indonesia, the army's share in the armed struggle against the Dutch led it to proclaim itself as the "guardian of the state and the people of Indonesia". The armies of the three communist states of Indochina were even more directly political in orientation. Founded as guerrilla movements against French colonialism and later against successor governments, the revolutionary armies of Vietnam, Laos and Kampuchea were led directly by communist party leaders, and their senior officers were also party members. In the case of Thailand, the traditional army was gradually modernized in the early part of this century but its officers never adopted Western liberal doctrines concerning the army's proper role, and the army not only regularly intervened in politics but dominated the government during most of the years since the first military coup of 1932.

The political role of the military is also a function of its material interests. The corporate interests of the military demand sufficient budget allocations from the government to acquire adequate equipment and armaments, to provide its members with appropriate housing, barracks and other facilities, and to pay satisfactory salaries and wages. When a government fails to cater to the corporate interests of the military, its officers are more inclined to intervene. Apart from the corporate interests of the military, senior officers sometimes have personal material interests in military intervention which places them in control of the government's patronage network. In his concluding, comparative chapter in *Military-Civilian Relations in South-East Asia*, Harold Crouch suggests that this factor may not always be clear in the case of initial coups, but it is often very apparent in later coups. Military intervention in Indonesia, Thailand, Burma and Kampuchea took place against such a background of military officers becoming unhappy with salaries and equipment. Such considerations were also involved, but to a lesser extent, in the military coups in Laos and Kampuchea. On the other hand, in countries where the military budget is substantial and military salaries high, such as Singapore and Malaysia, the military establishment is happy that its corporate interests are well looked after, and thus it is never tempted to intervene to protect these interests.

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Apart from internal factors, external factors are also important in the emergence of military regimes. The domestic politics of a country today is not primarily manifest nor intelligible within the confines of the nation-state, and the political process of a country cannot be understood in isolation from international developments and the global strategies of superpowers. Thus, the role of former colonial authorities, of the Japanese during World War II, and of the Americans, Chinese and others, have been important inputs in military-civilian relations in Southeast Asia. While Crouch highlights the importance of international factors in explaining military coups, he argues that growing penetration of foreign capitalism clearly does not explain all cases of military intervention. Military rule in Burma led to economic isolationism while the expansion of the military's role in government in Indonesia after 1957 coincided with a decline in foreign investment and worsening relations with the West. At the same time, it is true that in order to preserve and further promote global interests, Western academics and policy planners often portrayed the army as an "agent of modernization" and the "motor behind the development process".[6] The military élites who came to power, particularly in Indonesia and Kampuchea, were propped up by extensive political, economic and military support from the United States. Aid and investment poured in to buttress the "development strategies" of these regimes. It should, however, be pointed out that while foreign powers may play a vital role in military intervention, whether they benefit depends on the extent to which they can manipulate local political forces in a given situation, which in turn depends on the strength of domestic political institutions and the level of autonomy of a given political system. In the cases of Thailand, and Indonesia under the New Order regime, the penetration of foreign capital was facilitated by the presence of military governments whose leaders were willing to collaborate as compradors in the international capitalist system. But the greater penetration of foreign capital in the Philippines, Malaysia and Singapore did not lead to military intervention.

However, the theme that emerges in the book edited by Zakaria and Crouch is that there is no single pattern of military-civilian relations in Southeast Asia. The governments in the region range from those in which the military is clearly dominant to others where civilians are undoubtedly in command, while in some, both the military and civilians are strongly represented. In Indonesia, Burma and Thailand the role of the military is large, in the Philippines its influence is growing, but in Malaysia and Singapore civilian governments remain supreme. Military-civilian relations have evolved in each country according to the particular historical process of the country concerned. Similarly, the causes of military intervention in Southeast Asia have been manifold. The authors feel that no single factor seems sufficient to explain why and when the military intervenes. The nature, character of military rule, and even the forms of domination vary from country to country. Sometimes the military takes direct control of the government and monopolizes all senior appointments in the administration. In other cases, key posts are held by military officers but other ministries, especially those dealing with economic policy, are in civilian hands. Economic planners and technocrats are co-opted into

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the system by military regimes, essentially to establish confidence in the minds of the donor countries on whom these regimes depend to a large extent for the success of their development strategies. Military governments also differ in their tolerance of civilian political activity, ranging from banning political parties to partial reliance on them for political support.

Crouch finds that assessments of the military's political performance in office and as an agent of modernization are "mixed" in that the military seems "no more successful than civilians". Military-dominated governments have sometimes succeeded in establishing a stable political order but in other cases they have failed. There is no evidence to suggest that military-dominated governments provide a more stable political system than their civilian counterparts. In fact, the two most stable governments in Southeast Asia, namely those of Malaysia and Singapore, are dominated by civilians. Similarly, in terms of economic performance, some military regimes in the region have achieved high rates of economic growth but civilian regimes in Malaysia and Singapore have attained higher rates. The view that military officers tend to be agents of modernization is also not justified by experiences in Southeast Asia. According to Crouch, the differences between the performance of military and non-military regimes cannot be attributed unambiguously to the nature of the government because the large number of different factors affecting, for example, rates of economic growth, industrialization, levels of military expenditure or the achievement of political stability, make it impossible to isolate the military's contribution.

This wide spectrum of military-civilian relations raises interesting theoretical questions. Thus, while attempting to synthesize the information and analysis contained in the case-studies, Crouch makes a critical assessment of existing theories about military intervention and notes that so far no integrated general theory has appeared which satisfactorily explains the various roles played by the military in politics. To him, generalizations must be considered primarily as suggestive hypotheses to be investigated and modified according to the requirements of each case.

The usual argument put forward for intervention by the military is that it alone has the ability and competence to restore stability and order to the political system. From this argument, it is apparent that the imposition of army rule is often initially intended as a surgical operation to restore the health of an ailing system, and that once that objective is accomplished it will pave the way for a return to democratic norms. For some time, the army's participation in politics can be justified by reference to the failings of the regime that was overthrown, and also the maintenance of law and order. But with time this justification becomes increasingly tenuous. So, once political power has been achieved, the military must legitimize itself and establish a government based on constitutional norms. The basic problem for military regimes is not of how they can gain power, but of what they can do with it. Firstly, military regimes, though they need not be popular, must receive a measure of acceptance from civil society and must command obedience on the basis of more than simple coercion. Secondly, they must devise some institu-

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tional structure, whether formally of a military or a non-military kind, through which this political settlement can be maintained.

How do military regimes resolve these dilemmas? The second book under review deals with the relationship between the military organization and the world of politics. The nature, character, and socio-economic and political outlook may vary from country to country, but they all have to confront a specific dilemma between institutionalization and demilitarization. Institutionalization involves the maintenance of the military leadership in power coupled with attempts to entrench its position and broaden its support by seeking alliances with civilian political groups which are then subordinated to it. Demilitarization conversely involves the withdrawal of the military from the direct control of government, whether voluntarily in favour of some designated civilian successor, or involuntarily under varying degrees of pressure or compulsion. While these choices are in principle open to all military regimes, the important thing is the contraints within which such choices have to be made, the success which they achieve, and especially the patterns of transition from one form of regime to another.

In formulating such choices, the structural characteristics of the military are very important. The military is a part of the permanent state bureaucracy having certain political and economic interests in common with the civilian bureaucracy. The world, as they perceive it, is essentially plagued by poor organization, and it is organization that can provide the means by which problems can be overcome. While coalition with the civilian bureaucracy may help the military to run a country more efficiently as military personnel do not always have the expertise to deal effectively with civilian administration, politics is not administration alone. Politics requires compromises, adjustments and reconciliation of conflicting interests in the society, which the military's mode of operation does not permit. It allows some scope for political discussion and compromise within the military leadership, usually confined to a peer group of officers of roughly similar rank, and some opportunity for co-opting other groups and interests to support the regime, but it allows little capacity for handling political organization beyond a very limited level.

Thus, despite the enormous variations between military regimes, they do face a common political problem: that of combining their need to preserve the interests derived from their position in the state apparatus, with the inherent limitations in their capacity for political organization. The case studies in *The Political Dilemmas of Military Regimes* show that this problem is equally evident in the experiences of such widely differing regimes as those of Chile and Ethiopia, and is also common to former guerrilla-liberation armies, such as those of Algeria or Guinea-Bissau, once these come to inherit state power.

To identify the characteristic patterns of political settlement by military regimes, Christopher Clapham and George Philip in their introductory chapter define three sets of variables. The first set are key civil-military variables which provide the most important influences on the structure and nature of military regimes. The second set consists of military regime types, while the third consists of

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different forms of political outcome. In the first set, the variables are: (1) the unity of military command structures affecting the ability of the military regimes to change leadership; (2) differentiation of the military from civil society concerning the permeability of the boundary between the military and civilian politics; (3) the level of perceived threat from civil society influencing the military's involvement in politics; and (4) the level of autonomous political organization characterizing the pattern of civil-military relations. These variables are used in their analysis in order to develop criteria which are helpful in organizing and appraising alternative patterns of relationship between military regimes and their civilian allies, rivals or successors.

In their attempt to analyse different military regimes, Clapham and Philip identify four types: "veto regimes", "moderator regimes", "factional regimes" and "breakthrough regimes". "Veto regimes" are characterized by a high degree of "unity" in military command structure, a fairly high "differentiation" of the military from civil society, the military's perception of a serious "threat" from civil society, and a high level of "autonomy" among civilian political organizations in relation to the state. "Moderator regimes" are closer to Huntington's "guardian" type, characterized by fairly high unity and differentiation, combined with fairly low threat and moderate autonomy. "Moderator regimes" emerge in situations in which the professional military feels itself obliged to "step in to sort out the mess" created by factious politicians, and after a period of "corrective government" hands over to a "cleaned up" civilian political system. "Factional regimes" are distinguished from the moderator type by low unity, and in consequence often by low differentiation also, and usually result from a "personal" coup led by a disgruntled officer. "Breakthrough regimes" are classical radical reforming military regimes, normally requiring low differentiation and low unity. These regimes, however, do not show rigid characteristics. Actual regimes are mixtures derived from specific conditions, not mere exemplars of ideal types.

The final set of variables relates to outcomes — whether to demilitarize by establishing or transferring power to some civilian political structure, or to institutionalize the regime by entrenching it at the centre of a civil-military structure of a more or less authoritarian kind. The possibilities are as follows: "handback" and a process of demilitarization, "civilian renewal" and the new civilian regime's attempt to break away from previous political structures and attitudes; "authoritarian clientelism" in which the military is capable of attracting supporters through patronage; "factional clientelism" distinguished from authoritarian clientelism by the military's lack of unity, and usually of differentiation; the "military party state" involving mobilization of both the military and civilians within a single party state; and finally "impasse", where a regime has "boxed itself into a corner", unable to either create new political institutions itself or make deals with existing political groupings.

The case studies analyse some of the dilemmas faced and choices made by military regimes all over the world. They include a veto regime in Greece which collapsed beneath the weight of military disaster following the Turkish invasion of

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Cyprus and was obliged to give way to the process of civilian renewal which it had sought to obstruct; and a similar regime in Argentina, where the eventual outcome following demilitarization remains much more uncertain. Greek officers have more often been identified with political turmoil than with orderly change and social innovation. Although the military regime sought to elevate the officer corps to the position of guarantor of the social order, the members of the junta basically aspired to acquire the legitimacy that was inseparable from civilian authority. In Argentina, however, there is now an awareness that democratic politics requires organizational efficiency and a prevalence of democratic practices through society, that the economic problems posed by the unnecessary international debt will condition the success of democratic government, and that the longstanding problem of the reluctance of Argentina's propertied class to accept democracy is by no means resolved. Argentina provides one case in a comparison of the veto regimes of southern South America which shows how apparently similar authoritarian militaries, reacting to different crises with different patterns of social mobilization, have achieved varying degrees of success at varying cost in blood.

The South Asian and Southeast Asian cases underline the need for the military to maintain sufficient unity and differentiation, and to be able to overcome the autonomy of civilian political organization, if it is to have any success either as a moderator or, if that fails, as an authoritarian clientelist regime. Indonesia is in this respect, from the military regime's viewpoint, a comparative success. There are four possible options for political development in Indonesia — a continuation of the current veto regime, authoritarian clientelism, limited handback and full handback/civilian renewal. In addition to these four policy options, the regime could find itself aimlessly muddling through until overthrown in another coup or otherwise forced to surrender power: in other words, in a condition of impasse. Perhaps the most realistic option, given Indonesia's history and the facts of political life at present, is to adopt authoritarian clientelism. More radical change is unlikely because the preconditions for such change do not yet exist. In the cases of Pakistan and Bangladesh, the military intervened as "moderators" but found difficulty in sustaining these roles. Where the regimes have differed has been in the level of military unity, and hence in the much greater capacity of Pakistani regimes (both before and after 1971) to maintain an authoritarian clientelist system, in contrast to the factional clientelism of Bangladesh. The basic dilemma for both the regimes remains the same: the clientelist option is incapable of providing any long-term solution to demands for popular participation, and the institutions created by the military regimes in both countries are liable to collapse overnight in the face either of intra-military factionalism or of a decline in resources for sustaining patronage.

Does demilitarization lead to any stable pattern of civilian rule? Experience so far, typified by the examples of Argentina and Turkey, demonstrates that the military's return to barracks is more often the prelude to a period of weak civilian government, with reintervention by the military as a constant threat. The problem with the handback option is that even if the military hands over power to civilians,

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certain military practices and values continue to influence the political system. Prior intervention breaks down the previous boundaries between the "civil" and "military", tilts the balance of advantage and power towards the military side, and makes subsequent interventions more and more difficult to resist. This makes it difficult for a post-military regime to survive. The very preoccupation with political survival does not allow the post-military civilian regime much time to concentrate on long-term planning to provide the socio-economic solutions which alone can help a civilian regime to take root in the political system and sustain it for a longer period.

* * *

The two anthologies under review together cover a whole gamut of the varied roles of the military in politics. The case studies are rich in detail based on meticulous research, and the analyses are generally competent and perceptive. They throw interesting light on the causes of military intervention, the functioning of military regimes in fragmented political systems and the patterns of linkages it develops with civilian groups, the dilemmas it faces in political management and institutionalization, and finally the effects of military rule on these societies. The studies provide useful insights into the staying power of military regimes and the possibilities of civilian renewal. One thing that emerges is that military rule took root in these countries under conditions of extreme political instability, to which the military's own contribution had been no less important than that of civilian politicians in certain cases. Therefore, until civilian politicians can demonstrate greater unity and sense of purpose, and can articulate their views, formulate policies and display a degree of political competence to engender sufficient trust among the populace, the spectre of military rule will continue to haunt these countries.

From the point of view of political development in the Third World, the existence of military regimes has enormous implications both in the present and the future. In the absence of alternative political institutions, there are difficulties in making such administrations responsive to those outside the narrow circle of supporters and beneficiaries of the regime. Under military regimes, alternative political institutions are emasculated, making it virtually impossible for a relatively open, representative political structure to emerge. At the same time, military rule has its own dynamics. As society becomes more complex and economic demands require more specialized knowledge, the military finds it increasingly difficult to cope with the problems of political and economic management. Therein lies the hope for a greater interaction between the military and civilians in such regimes. It is a challenge that politicians, popular organizations and leaders of armed forces in the Third World will have to face in the last years of the twentieth century.

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DOCUMENTATION

Address by President Reagan to the Meeting of ASEAN Foreign Ministers, Bali, Indonesia, 1 May 1985

THE PRESIDENT: Mr Vice President, ASEAN Foreign Ministers, ladies and gentlemen, I appreciate this opportunity to discuss with you the wide range of isues that are of mutual concern to our peoples. Since coming to the Presidency, I have stressed enterprise, not redistribution, as the best means of improving the economic well-being of any country. I've emphasized the importance of free people cooperating together to meet the serious challenges that are loose in the world today. Our talks, then, have particular relevance. Since its founding in 1967, ASEAN has been a shining example of enterprise and cooperation.

It was my honor earlier to have met and conferred with President Soeharto. Our discussions were friendly and carried out with the mutual respect one would expect between the leaders of two great nations. I am confident that our discussions will be in the same spirit. I mean our discussions here. And I'm looking forward to hearing your views.

You know, there is a story back in the United States about two men out in the woods on a hike and they saw a large bear coming over the hill directly towards them. And one of them sat down, took off his knapsack, raced in, got out a pair of tennis shoes and started to put them on. And the other one looked and says, "You don't think that putting on those tennis shoes — you're going to be able to outrun that bear?" He said, "I don't have to outrun the bear — I only have to outrun you." (Laughter.)

Well, if there is a bear coming over the hill, unlike that hiker, the American people can be counted on to stick with our friends. We won't put on running shoes. (Laughter.) Standing together, we can make certain the people of this region remain free and secure.

Today there is an ever-increasing recognition that our futures are linked in so many ways. Two ASEAN members, Thailand and the Philippines, are treaty allies. All of you are friends with whom we work closely. The United States sees ASEAN's unity and decisiveness as an example to other free people. The ASEAN collective voice of responsible international behavior has been amplified throughout the world, and I am here to listen to you. Support for and cooperation with ASEAN is a linchpin of American Pacific policy.

Nowhere has your leadership been more inspiring than in molding the world's response to the Vietnamese invasion and occupation of Cambodia. After the collapse of South Vietnam, ASEAN took a strong stand against Vietnamese expansionism. When Vietnam invaded Cambodia in 1978, you recognized the threat and acted quickly. The strength of your commitment and the direction you've provided on this vital issue have been much admired by the United States.

In 1981 ASEAN organized the International Conference on Kampuchea. We continue to support the basic principles for the settlement of the Cambodian situation agreed upon at that Conference — the complete withdrawal of Vietnamese forces under international supervision; the restoration of Cambodian independence, sovereignty, and territorial integrity; a Cambodian government chosen in free elections under international auspices.

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ASEAN's efforts are consistent with American desires to bring peaceful resolution to the tragic cycle of events that has plagued the Cambodian people. We continue to believe a negotiated settlement with ASEAN is in Vietnam's interest, and in the best interest of everyone in the region. We are prepared to participate constructively in a regional settlement and call upon Vietnam to answer your reasonable proposals for negotiations. The contrast between the economic conditions prevailing in Vietnam and ASEAN is striking. Their continued occupation of Cambodia is simply widening this gap each day. Cambodia is, of course, something we will discuss further this afternoon, along with other issues of regional and global importance.

In approaching our discussions, let me just say, the United States considers itself a Pacific Rim country, with a heavy stake in the outcome of events in this region. The Philippines, for example, is a country with which the United States has deep and abiding ties. We hope that recent events there will increase the chances of unity through democracy and enable the Philippine people, to a greater degree, to join in the economic advances so apparent throughout the region. Before I left Washington, we announced a Philippine aid package to help our Filipino friends during this difficult period.

This region's economic stature continues to grow. Collectively, ASEAN is now the United States' fifth largest trading partner. Our trade with you, as with all of East Asia and the Pacific, is growing faster than with any other region of the world. When this organization was founded back in 1967, our annual trade was running at less than $2 billion. In 1985, U.S.-ASEAN trade reached $23.5 billion.

As you are all aware, there is growing pressure in many industrial countries to restrict trade. Well, I'm certain you agree that any substantial cut in the commerce between nations would be an unmitigated disaster. It is only right that we are meeting prior to the 12th economic summit in Tokyo. One of the messages I am bringing to the economic summit concerns the necessity of keeping open the avenues of world trade. This is something that the United States and ASEAN should work closely together to achieve. It is fundamental to the well-being of both our peoples.

As part of my preparation for the economic summit, I'm also looking forward to hearing today your thoughts on issues that the summit conferees should keep in mind as concerns of the countries of ASEAN. We are pleased, as a Pacific Rim partner, to take your ideas to the meetings in Tokyo.

Our progress has been based on freeing, not restricting, man's commerce, energy, and creativity. A strong commitment to the principles of freedom and independence and a fundamental trust in free enterprise and open markets have propelled ASEAN countries far beyond what others would have thought possible. The decision-makers of your countries have proven their wisdom and good sense. But I have a favor to ask. I think the leaders of the developing world could use your advice. You know, give a man a fish and he won't be hungry today, but teach him how to fish and he'll never be hungry again. You can do a great service by telling others, especially those trying to improve their lot, how to follow the path of personal incentives to economic progress.

I would like to mention the humanitarian issue of great personal concern to me, my administration, and the American people. It is about our men still missing in action from the Vietnam War. Vietnam's recent apparent attempt to link this last vestige of the war to other issues is a great disappointment to us. We were pleased with the evident progress over the past year. It indicated Hanoi had agreed with us that resolution of this issue was in their national interest. We appreciate all that you have done to help us on this, and we hope that Vietnam will soon resume these important talks.

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In closing, I would like to say the United States is proud to be a partner with ASEAN in the quest for peace, freedom and greater prosperity. I am looking forward to our meeting this afternoon and to the continuing close relationship between our governments and people.

Thank you all and God bless you.

SOURCE: Office of the Press Secretary, The White House, 1 May 1985.

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BOOK REVIEWS

Social Organisation and Planned Development in Rural Java. By Sediono M.P. Tjondronegoro. Singapore: Oxford University Press, 1984. Pp. 326.

Basic research into aspects of Indonesian society and economy have barely kept pace with rapid changes that have been taking place in that country in the course of economic development. Tjondronegoro's book is therefore doubly welcome not only because it meets this pressing need for more relevant information, but also because it focuses attention on rural society which accounts for the overwhelming majority of the Indonesian population. The genre of the present work follows the dominant pattern in many of the recent publications on Indonesia, in that it is largely based on a recent Ph.D. dissertation, and minimal changes have been made to content or format. Like most such products it has its rough patches, particularly those relating to the obligatory theoretical statements and how the candidate resolved questions of methodology. One learns to recognize the unavoidable narrowing of focus in many such publications as being due to its specific academic requirements, but need not necessarily cherish the overblown titles that publishers insist on foisting on them. Despite the title, the present work does not attempt even remotely to address problems in organizational theory nor how they arise in development planning.

In Indonesia, the Dutch colonial administrators had largely failed to delineate rural communities into any hierarchical or functional groups for the purpose of achieving significant social or economic improvements. For administrative purposes such organization as was necessary was conceived of in the broadest terms, but in any case required no mass participation at any level. It was only after independence that the *desa* or village came to be recognized as the focal point for government-sponsored rural development; and hence, as an object of social scientific study. The author has made a significant attempt to contribute to the growing literature in this area by choosing to look specifically at structural aspects of village communities and the evolution of organizational leadership, both formal and informal.

Altogether 14 villages, from *kecamatan* Cibadak and *kecamatan* Kendal, were purposively chosen for carrying out the field-work which forms the basis for this study. It is, however, difficult to establish how "representative" the two *kecamatan* are of rural Indonesia, especially as the selection was largely a matter of convenience. Accordingly, ". . . the only major consideration was that both Sukabumi and Kendal have been 'research *kabupaten*' for at least the last seven years". Apparently, Sukabumi had been a regular training ground for students in agronomy and agricultural extension work from the Bogor Agricultural University. Similarly, Kendal, in Central Java, had been the traditional research site for the Agro-Economic Survey of Indonesia, in which the University at Bogor had a significant participation. This is not unique to Indonesia, of course, as many such social scientific studies undertaken in the Third World have shown a strong tendency to follow the convenient beaten track, even in regard to the choice of the research site. However, the two *kabupaten* have, apart from their geographical location, in West and Central Java

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respectively, other characteristics which distinguish them from each other. The population of Sukabumi in West Java is largely Sundanese, whereas the majority of the Kendal population are ethnic Javanese. The selection of the *kecamatan* from each of the two *kebupaten* was made so that, both in population size and area of territory, the mid-range *kecamatan* was preferred.

Both colonial administrators and Western scholars had been struck by the lack of form of the Javanese village, and the magnitude of the problems posed by such a condition for achieving socio-economic development has been often emphasized. Clifford Geertz, in particular, had become rather pessimistic about the ability of the peasantry "to cooperate or organize anything very effectively". As the author argues, since independence, the Indonesian Government has had to resolve the question of what is the most viable unit of social organization in rural areas so as to achieve an effective and speedy implementation of rural development programmes. The Ministry of the Interior had, in the 1960s, raised the possibility of creating an effective third-level autonomous administration under the name of *desapraja*, based on popular participation at the village level. However, lack of consensus among the major political parties had blocked its implementation. The PKI (Communist Party of Indonesia) had strongly supported the idea, with an obvious interest in strengthening its mass organization of peasants, the *Barisan Tani*; but other political groups had opposed it on the grounds that this would make for ineffective implementation of central government policies by lengthening the lines of communication between *kabupaten* and *desa*. Although Law No. 19 of 1965 was introduced with the intent of legitimizing the concept of *desapraja*, the law (like many others in the Soekarno period) never became effective because of the demise of Guided Democracy and the implementation of *Orde Baru* (New Order) by the Suharto government. Subsequently, the new government repealed the *desapraja* law with Law No. 6 of 1969, which defends the status quo.

Thus, the ascending hierarchical structure of rural administration is made up of the *Camat*, the *Bupati*, and the Provincial Governor, although, as the author suggests, the *Wedana* still retains an important role, so that "a *camat* does not normally bypass a *wedana* in conveying reports to his direct supervisor (*bupati*)". Throughout the study, the author has been at pains to emphasize the democratic character of small rural communities. Their autonomy has been largely eroded by the need for more complex organizations, often imposed from above, under the regime of rapid economic development and social change. Clearly, the government has in its attempt to speed up economic growth sacrificed participatory democracy at village grass-roots level for the sake of greater administrative efficiency and the certainty of economic growth. It is, however, doubtful if such top-down organizational structures and the rigidities of standardization are in the long-term interest of Javanese rural society, even if short-term spectacular results can be recorded as in crop production or family planning. As the author readily admits, "depoliticization without systematic restructuring of rural society, however, will maintain that looseness from which little popular participation can be expected". It is to be hoped that the recent attempts by the government to revive rural co-operatives will go some way to stimulate such popular participation. But such expectations may prove unrealistic without concomitant structural changes, especially in regard to the distribution of the most important means of production, land. This is because, as the author realistically observes, "cooperatives will have limited viability because they are more beneficial to a handful of better-off farmers in every village".

One looks forward to a re-survey of the 14 villages in the two *kecamatan* with a view to establishing in greater detail what has been the socio-economic impact of the

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Green Revolution on rural Java, a subject to which the author has made only passing reference.

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Confrontation or Coexistence: The Future of ASEAN-Vietnam Relations. Edited by William S. Turley. Bangkok: Institute of Security and International Studies, Chulalongkorn University, 1985. 187pp.

These days most conflicts seem to drag on and the one in Kampuchea is no exception. While it has certainly helped to produce a distinct political polarization within Southeast Asia between the countries of the Association of Southeast Asian Nations (ASEAN) and the Indochinese states, it has also created a stalemate which seems oddly disturbing. The crisis in Kampuchea has several ramifications. Besides being a conflict which essentially involves the irreconcilable interests of Thailand and Vietnam it is also a conflict between Vietnam and China and, of course, in a larger sense, between China and the Soviet Union. Given this "wheels within wheels" situation, it is not surprising that the long drawn-out struggle has become intractable. Features such as Vietnam's annual forays in the Thai-Kampuchean border area, the increase in the number of Kampuchean refugees and ASEAN's efforts at various international fora to keep the issue alive have taken on a ritualistic character that has made any meaningful move towards resolution that much more distant and difficult.

This book, which grew out of a workshop on ASEAN-Vietnam relations organized by the Institute of Security and International Studies, Chulalongkorn University, Bangkok, in 1983, takes this stalemate as its starting point and addresses itself to the question of the future beyond the Kampuchean issue. Despite the subtitle, it is essentially concerned with relations between Thailand and Vietnam, these two being the regional actors most directly involved in the Kampuchean problem.

The first chapter, by Dhavorn Sukhakanya, provides the historical background to this rivalry, while the second by Sarasin Viraphol delineates Thailand's perspective in this respect. The third chapter by Gareth Porter takes us a bit further by looking at the implications of Vietnam's policy towards Thailand as it operates now and is likely to operate in the future. Carlyle Thayer's concluding chapter in Part I deals with ideological issues confronting Vietnam and seeks to explore its effect on both domestic and foreign policy behaviour. The first two chapters in Part II trace the effect of this prolonged conflict on Thai politics and economy respectively. This is followed by Nayan Chanda's paper on the problems and prospects of Vietnam's economy. The next chapter by Jacques Bekaert deals with the future of ASEAN-Vietnam relations in the context of the prevailing insurgency problem in Southeast Asia. In the following paper, Alan Dawson talks about the implications of a long-term conflict for Thai-Vietnamese relations. The concluding chapter by Peter Polomka lucidly explains the effects of the expanding role of the Great Powers in the region. Part III of the book is a summary of the main strands of thoughts that run through this study. Some of the chapters are followed by discussions which are quite stimulating.

In a study such as this, it is often difficult to come up with a single policy recom-

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mendation for the future, a problem to which the editor has alerted us right at the beginning. Although the papers are well presented, most of them are principally confined to an analysis of the situation as it obtains today, which in my opinion detracts from the main aim of this enterprise. To that extent, certain observations merely seem a repetition of established views on the subject especially those that deal with Vietnam's intransigence or even of ASEAN's unity in the face of this stalemated crisis. The volume, however, makes one thing clear and this is that the complacency of those who regard stalemate as (in Turley's phrase) "satisficing" is misplaced. To that extent, it must be said that the two-year lag in publication has in no way diminished its relevance.

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The U.S.–ASEAN Dialogue: A Search for Procedural Improvements

HANS H. INDORF

Achieving substantive results in inter-governmental relations depends only partially upon the mutual attractiveness of an idea. Of equal importance is its packaging and the method of its delivery. The former includes compromise, timing, and reciprocity; the latter all the institutional mechanisms of advancing an idea from its initiation to its successful implementation. This paper will focus on procedural aspects of U.S.–ASEAN relations and will seek to determine their impact on co-operative efforts. The premise is that while the structural arrangements for joint endeavours are essential for attaining policy goals, organization should neither dominate the process nor shape the ultimate result.

The Context for Mutuality

Any productive relationship between governments must be based on respect and expectation of reward. Respect is sustained by the concept of sovereignty which imposes a measure of legal equality on both sides. Such an equilibrium does not have to be reflected in rewards as long as each party perceives to obtain a return commensurate with its input. Consequently, in its ASEAN relations, the United States may be quite satisfied with the indirect benefit of maintaining a politically stable and economically prosperous region which would strengthen American global strategic designs. ASEAN, on the other hand, has shown a much greater interest in gaining specific economic concessions.

These differing levels of expectation have provided a constant reminder of the ambiguities in U.S.–ASEAN relations. There is the general and more easily gratified approach of the United States, as expressed by Secretary of State George P. Shultz:

> The United States and ASEAN have a deep and enduring partnership because we have in common basic interests and high ideals. . . . We are always pleased to meet and consult with ASEAN, our partner in advancing freedom and peace in the world.

Characteristic of ASEAN's more particular hopes were the remarks made by Dr Mochtar Kusumaatmadja, Indonesia's Foreign Minister:

> During the Dialogues which have been held throughout the years, it appears

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> that the question of access to markets for ASEAN products still ranks high on the priority scale of ASEAN demands. Unfortunately, not all of our demands were met satisfactorily.[1]

Incongruities in objectives tend to curtail anticipated rewards. A negotiating machinery was thus established to minimize this potential setback.

Historically, the first formal contact between Washington and ASEAN as a collective entity took place in Manila in September 1977. Despite the fact that the organization had already been in existence for ten years, that the ASEAN heads of government had expressed (in Bali in 1976) a desire for expanding relations to third countries, and that the prime ministers of Japan, Australia and New Zealand had met with ASEAN leaders in a post-summit conference in Kuala Lumpur (August 1977), there was still reluctance towards closer U.S.–ASEAN ties.

Three days of exploratory talks at the sub-Cabinet level produced no tangible agreements.[2] Yet, this initial meeting set into motion an organizational chain reaction which multiplied discussions in different fora and at different levels. It was symbolized in the second U.S.–ASEAN Dialogue, held in Washington, D.C., on 2–4 August 1978, which witnessed participation by ASEAN's foreign ministers and half of the U.S. Cabinet, including Vice-President Walter Mondale. Mutual interest and, ultimately, habit established a recurrent pattern of frequent contacts without, however, substantial policy progress.

Before examining the broad spectrum of consultations as they exist today, note should be taken of two parallel developments. One is the fact that the United States is pursuing active and productive bilateral relations with each member state of ASEAN. The volume and quality of co-operation at this level far exceeds the accomplishments of joint endeavours between the United States and ASEAN as a whole. It indicates a preference for immediate national gains through the more expeditious method of a direct linkage to decision-makers. Improving the quality of life in one country can, of course, augment the regional resilience aspired to by ASEAN, but it may not enforce the collective mechanisms of an intergovernmental organization.

Secondly, it should be acknowledged that the United States is only one of seven dialogue partners of ASEAN, the others being Australia, Japan, Canada and New Zealand as well as the European Economic Community (EEC) and the UNDP/ESCAP. Procedures established for intercourse with the United States are largely duplicated with each dialogue partner which, as will be seen later, can easily strain the manpower resources of the organization. Nevertheless, over seventy joint projects are currently being financed by these dialogue partners. Their number has been arbitrarily limited to industrialized countries with free market economies, able to make material contributions to ASEAN's progress. It is within this framework that U.S.–ASEAN relations should be analysed.

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The Institutional Mechanisms for Co-operation

Over the years, a myriad of linkages has been created at ASEAN's initiative to accommodate its relations with the United States. Foremost among these structures is the U.S.-ASEAN Dialogue. A meeting of the participating seven governments is convened every 13 to 18 months, with the venue rotating between Washington and the capital of the co-ordinating country. Customarily, the two- to three-day gathering is opened by a minister, but delegation heads are usually senior officials; in the case of the United States, it is an under-secretary. In the meeting, up to fifteen American officials, including embassy personnel, face a minimum of thirty ASEAN delegates. Separate working groups provide an opportunity for more detailed reviews.

Discussion proceeds according to an agenda which has been negotiated and circulated about eight weeks prior to the event. Major items are supported with memoranda from each side. Normally, one country is identified as taking the lead in a particular question in response to its expressed interest. Formal agreements during a dialogue are rare, but meetings usually terminate with a joint press statement. The purpose of the dialogue exercise was once explained by an ASEAN official, "we share the belief that regional . . . talks can play an important role in facilitating negotiations in world fora . . . they provide a better opportunity for understanding each other's positions. . . ."[3]

Since 1977, seven dialogues have been held, the last one in Singapore in early May 1986. With each succeeding meeting, the agenda seems to be getting longer as old topics require continuing discussion, new subjects are added, ongoing projects reviewed, some past projects eliminated, or approval sought for previously tabled items. Consequently, the 1986 agenda contains 14 major items, 14 sub-topics, 49 sub-sub topics, and ten listings below this category. No wonder that both sides agreed to improve future dialogues with "more frequent interim consultations".

One avenue for accomplishing this objective is the designation of an ASEAN member state as the Co-ordinator Country. The task of the Co-ordinator Country is more than just to facilitate dialogue. Through this Co-ordinator, the United States can put forward suggestions and queries to ASEAN, seek reaction to project proposals, and generally rely on it for an expeditious and efficient handling of communications. An enthusiastic Co-ordinator Country can maximize co-operation between the dialogue partners.

The Philippines has been serving as the contact point for the United States since the mid-1970s. For various reasons, this assignment stagnated and had a desultory effect on American attitudes towards ASEAN at the working level. In 1984, ASEAN decided on a general overhaul of the entire system in order to "inject fresh ideas into the dialogue", according to Mr S. Dhanabalan, Singapore's Foreign Minister. Consequently, the ASEAN Standing Committee recommended a three-year rotation of co-ordinator countries beginning on 15 July 1985.[4] Singapore will be the counterpart to the United States until 1988.

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In Washington itself, the ASEAN ambassadors have formed the ASEAN Washington Committee (AWC), with one of them as chairman and spokesman for six months on an alphabetically rotating basis. The Committee meets monthly and serves as a conduit for ASEAN concerns which are to be brought to the attention of U.S. government agencies. The primary function of the AWC, however, seems to have developed into one of projecting ASEAN throughout the United States. During 1985, over a two-month period, the group held eight trade and investment seminars in as many different stages. In addition, the chairman of the AWC wrote hundreds of letters to U.S. companies that were interested in more than one ASEAN country. As Thai Ambassador to the United States, M.R. Kasemsamoson Kasemsi, admitted in a recent Bangkok interview: ". . . our activities enjoy more attention when they are jointly organized by all six ambassadors".[5] Representing a country as well as a regional organization, however, can strain ambassadorial resources and, at times, credibility.

When, in 1979, the United States proposed the formation of a U.S.–ASEAN Economic Co-ordination Committee in Washington, the idea was quickly accepted as a further device for propagating ASEAN programmes among American officials in different departments, agencies and the Congress. The group meets every three to four months and consists primarily of technical representatives. Over time, the information exchange has broadened to include U.S. policies affecting ASEAN, pending trade developments, and initiatives considered by the private sector.

To complement the inter-governmental drive for improved economic relations, the U.S. Chamber of Commerce acceded to a request from its ASEAN counterpart to organize a U.S. section interested in regional affairs. The first joint conference, held in Manila in July 1979, led to the establishment of the ASEAN–U.S. Business Council. Its periodic meetings bring together about 150 executives from the seven countries. Their discussions are largely identical to those occupying the dialogue sessions, but stress the non-governmental perspective. Although recommendations are formulated, any substantive influence remains personal and circumstantial.

Most of the programmes are carried out separately by each of the sections. The U.S. section organizes conferences and seminars, provides briefings and takes an active interest in legislation affecting trade and commerce within Southeast Asia. A past practice has been for the section chairman to address a plenary meeting of the U.S.–ASEAN dialogue. While this procedure imparts information on private sector attitudes, it has to be regarded as rather ineffectual considering how far removed the dialogue is from actual decision-making.[6] However, the U.S. section fulfills its primary function of alerting the American business community to opportunities in the ASEAN region, assuring at the same time that governmentally imposed restraints remain as minor as possible.

An increasing demand for ASEAN-related services, exceeding the responsibilities and capabilities of the U.S. section, persuaded the U.S. Chamber of

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Commerce to encourage the formation of a new organization. Consequently, the U.S.–ASEAN Center for Technology Exchange (USACTE) was incorporated in New York in 1984. Its task is to promote economic and commercial relations between the U.S. and ASEAN through technical seminars, training courses, and programmes for businessmen that identify sources of equipment and joint venture investments. Clearly, USACTE is designed to translate dialogue ideals into practical schemes for individual companies. Its rapid acceptance in the region as well as in the United States is proof of the indispensability of its service.

The Center is privately directed but essentially funded by the U.S. government, and supplemented by contributions from American industry. Programme advisory councils and country directors are provided for each ASEAN member state. A regional representative will oversee the ASEAN operations. Despite its private nature, USACTE has increasingly been co-opted into the formal U.S.–ASEAN process, reporting to official dialogue sessions and being favourably mentioned in ASEAN's annual report. As an implementing service agency, the Center might well point to an ideal format of a productive U.S.–ASEAN linkage for the future.

At the apex of the available mechanisms for U.S.–ASEAN co-operation is the institutionalized Post-Ministerial Meeting (PMM). The concept became operational in 1977, when foreign ministers of some dialogue countries accompanied their heads of government to the Kuala Lumpur summit. As ASEAN continues its mid-year gatherings of foreign ministers for the purpose of issuing an annual report and a joint communiqué, senior ministers of dialogue partners are expected, in separate sessions, to face six ASEAN ministers for a review of the status of their co-operation. These individual meetings rarely exceed one hour, and the formality of the occasion does not add to its productivity. In other words, the PMM is not designed to advance substantive aspects of co-operation but to allow for informal exchanges outside the conference framework while giving an international lustre to an ASEAN event.[7]

To make a 10,000-mile journey from Washington more acceptable, other meetings precede and follow the brief closed session: a ceremonial opening involving all representatives; a plenary meeting of 6 plus 6 (all dialogue partners except the U.N. representative who does not regularly attend) reserved for welcoming speeches, and a 6 plus 5 (Pacific dialogue partners only) discussion devoted to Pacific basin co-operation. However, it must be remembered that a U.S. Secretary of State has numerous occasions during the year to meet with his ASEAN colleagues, whether individually in Washington, at the United Nations in New York, or in the region when accompanying an American president. But the PMM usefully complements the structural devices to further U.S.–ASEAN relations. Profusion, however, can lead to confusion. There is no guarantee that a saturation of linkages will produce more certain results. Each side seems to entertain some misgivings about the existing process which need to be considered if a splendid edifice is to perform in equally splendid fashion.

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Restraints on a More Productive Relationship: An American View

Since the substance of the dialogue is not at issue in this paper but the procedural mechanisms by which problems can be successfully solved, subsequent comments will be limited to operational aspects. By and large, Americans directly concerned with ASEAN affairs are satisfied that the expectations placed in the relationship have been fully met. They are looking with appreciation at a group of countries occupying 69 per cent of the region's real estate and possessing 90 per cent of its gross domestic product, countries which are obviously able to assume full control over their own affairs. In other words, there is little incentive for becoming more deeply involved in an area which appears to be at the fringe of primary U.S. foreign policy interests and which does not demand immediate crisis management. Optimistic growth progress reports from Southeast Asia have generated their own indifference abroad.

Closely allied to an apathetic reaction is the search for reciprocity, but not necessarily in equal proportions. When the pressures for aid are replaced by two-way trade, Americans begin to expect recognition of their own apprehensions. With respect to the region these were identified by former Deputy Secretary of State, Kenneth Dam, as restrictions in equity participation, expatriate personnel limitations and occasional adherence to doctrinaire Third-World policies.

Senator D'Amato from New York, among others, decried the widespread international piracy and counterfeiting of intellectual property which cost the U.S. treasury about US$8 billion. He concludes, "America should seriously re-examine trade relations with countries, especially in Southeast Asia. . . ."[8] In the light of Philippine revelations, even the well-meaning words of Secretary Shultz appear ominous. The U.S.–ASEAN relationship

> . . . reflects our mutual commitments to our common humanity: the freedom of the individual to worship, to think, to speak, and to act as he chooses, to create, to produce and sell, all under the rule of law. This is what our partnership must stand for.

The argument is that mutual interests should create mutual responsibilities.

There are other elements which could be construed as inhibiting the flow of co-operation. For instance, being confronted with the question about the efficacy of American contributions to ASEAN will inevitably raise the moot point of how much and how fast. The answer is circumscribed by four conditioning factors, two of which relate to Washington and the other two to ASEAN.

It has become customary to view the United States as the richest and largest market in the world. What is frequently overlooked is that it is also the largest debtor nation, that its annual budget deficit alone is five times the total public expenditure of all the ASEAN countries, and that the 1987 interest on the U.S. national debt probably equals the combined gross national product (GNP) of

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Indonesia, Malaysia and Singapore. It is all a matter of perspective. The second matter subject to multiple interpretation is America's global responsibilities, imagined or otherwise. If a sub-regional commitment could be quantified within this context, what could be the volume of concessions?

ASEAN itself has introduced some potentially restraining factors in relations with third countries. It has adopted guidelines which include that:[9]

1. co-operation with ASEAN as a group cannot be at the expense of existing bilateral arrangements,
2. a project must complement ASEAN's capabilities,
3. a project should originate with ASEAN and benefit all six member states; and
4. a third party should not impose conditions on co-operation.

These rules are plausible but can be perceived as restrictive. They will have the effect of enhancing ASEAN cohesion — from the outside. An additional informal understanding is that ASEAN project sponsors should find third-party financing before the group proceeds with implementation. Again, a good regional co-operative endeavour may be condemned to oblivion if its importance is less obvious to a third-country donor than it may be to ASEAN.

Another likely impediment to relations with dialogue partners is seen in the absence of an ASEAN legal identity. A government has a corporate personality and, as such, can conclude contracts which are legitimate. ASEAN's existence, however, is based upon a Declaration, not a Constitution or a Charter. Consequently, negotiations with Washington proceed with the United States on one side, and six ASEAN country representatives on the other. This is not an insuperable obstacle but can lead to delay and, should an ASEAN consensus be unattainable, even to a discontinuation of negotiations. There are obvious advantages in having a single spokesman on trade matters, an appointment that could correspond to the regional interests of foreign business.

ASEAN has not been totally oblivious to the inherent benefits of giving itself a legal character. Ever since 1968, the Philippines has been advocating an ASEAN Constitution. At the urging of the late Foreign Minister Carlos Romulo, the organization finally agreed to a feasibility study which, after almost ten years, is still in progress. One more attempt was made in 1985 by Acting Foreign Minister Pacifico A. Castro,[10]

> It might be appropriate now to consider . . . giving a personality of its own (to ASEAN) by accrediting it as an observer in the United Nations . . . and other intergovernmental organizations. Thus, ASEAN will no longer be confined to the geographical limits of Southeast Asia but will acquire a new status and stature identical to other regional organizations in world politics.

Intra-ASEAN liabilities seem to impede the suggested conversion. The unanimity necessary for a Constitution may become progressively more difficult with the advancing maturity of an institution.

One final word about the U.S.–ASEAN dialogue. As its title implies, it is not a

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negotiating session but merely a forum for exploring and explaining positions of mutual interest. Yet, it is not a one-to-one proposition either. While ASEAN as a group can discuss joint problems such as market access, the United States must consider each country-specific issue on a bilateral basis, external to the dialogue process. As the communiqués of past dialogues indicate, the proceedings are predominantly unidirectional, that is, presentations by ASEAN which require an American response. Consequently, Washington will regard dialogues as an occasional consultative mechanism reserved for general economic questions. Its main energies, time and resources will continue to be channelled into bilateral relations.

Enumerating some constraints to U.S.–ASEAN relations does not suggest that their removal is possible or even necessary for a closer rapport. International relations are as much the product of attitudes and perceptions as they are the result of prevailing conditions. If the United States is aware of factors which could possibly curtail the full potential of co-operation, so is ASEAN.

Goal Expectations and Procedural Limitations: An ASEAN View

In August 1986, ASEAN commenced the twentieth year of its operations with a level of achievement and internal cohesion unrivalled anywhere in the Third World. Its mere existence mitigated historical adversities and brought a measure of stability to Southeast Asia which few expected two decades ago. Centrifugal forces were contained, competitive industries tamed through regional co-operation (in forums such as the ASEAN Chamber of Commerce and Industry), and ASEAN itself has become synonymous with success. These facts are globally known, recognized, and acclaimed, but not fully supported. It is this aspect which has given ASEAN leaders cause for frustration and disillusionment.

They claim that their countries have upheld the tenets of the free enterprise system, making it a model for others by emerging as the fastest growing region of the world. Yet, by being intimately linked with Western trade and its financial systems, ASEAN also suffers any reversals experienced by these economies; but industrialized countries can adapt more easily to economic downturns. For ASEAN, it is a precarious dependency which requires compensatory actions from its dialogue partners.

U.S. economic co-operation lacks a specific programme and a long-term strategy. Key issues need to be identified. In an attempt to accomplish this aim, ASEAN created a Task Force in 1982 to undertake a comprehensive review. It submitted its report in 1983, and ASEAN accepted some of its recommendations in 1985. One of them was the decision to focus economic co-operation on "improved market access and better terms of trade, investments, and transfer of technology".[11] Assistance in areas peripheral to ASEAN interests was to be avoided.

This is probably easier said than done. Topics which were discussed during the

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first U.S.–ASEAN dialogue in 1977 still appeared on the agenda for the seventh dialogue in 1986, such as GSP eligibility, forms of protectionism, and various shipping issues. ASEAN is getting understandably impatient. When Malaysia's Prime Minister, Dr Mahathir Mohamad, opened a meeting of ASEAN's economic ministers in February 1985, he criticized the dialogues as "too unresponsive" and "not achieving meaningful results".[12] Third countries were encouraged "to show a more serious attitude" in their discussions with ASEAN, resulting in specific benefits for the organization's members. The economic ministers agreed to review all dialogues, a review that has not yet been completed.

In the meantime, dissatisfaction with the dialogue method is expressed more frequently. The periodic talks are characterized by Singapore's Foreign Minister Mr Dhanabalan as "not effective, not substantive or fruitful". Tengku Rithauddeen of Malaysia is expecting "more positive developments" while minimizing the value of a review "unless there is a greater political will". What is behind these criticisms? Again, the answer includes essential as well as procedural elements.

At various times, ASEAN leaders have described workers' organizations in industrialized countries as "most obstructive" to greater trade or technology transfers. Apparently, a union assumption is that labour in developing countries is "cheap and exploited", and that technology exchanges could ultimately mean more unemployment at home. Whether these claims are valid or not, they suggest a need for improved communications and, perhaps, the inclusion of trade union representatives at various stages of the dialogue.

Other concerns point to different directions. Dr Mahathir speaks of the need "to break the strangleholds of institutions created by market manipulations" who champion protectionism.[13] There is also the fear that ASEAN could be pressured into new enterprises for which the organization is not yet prepared. To mind come ideas such as Pacific basin co-operation or a free trade area, now termed the ASEAN–U.S. Initiative. First proposed in 1983, and again elaborated by the U.S. Trade Representative in 1985, it elicited only an evasive response from ASEAN, although it appears in the 1986 dialogue agenda. Trading partners must appreciate that regionalism is still a new experience for Southeast Asia. Cautions Mr Dhanabalan: "It is important that we do not subject this new endeavour to the strains of ambitious supranational projects and policies".

While the United States may wonder when the novelty of regionalism will blossom into full maturity, it should carefully appraise existing sensitivities. For example, ASEAN does not wish to give the appearance that it has entered into a superpower-client relationship, militarily or economically. Despite professions and manifestations of regional co-operation, national progress retains the highest priority. Therefore, bilateral approaches are preferred over multilateral projects, inasmuch as each ASEAN country continues to seek its own advantage, be it direct foreign investment, special trade deals, or just professional image-building abroad.

Conversely, ASEAN has voiced in the past a concern over being detrimentally

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affected by American economic initiatives in other countries. This was the case when the Sino-U.S. relationship began to prosper, and when President Reagan announced his development assistance for the Caribbean basin. No doubt, the same negative reaction will be evident should the proposed Marshall Plan for the Philippines become a reality, unless it can be clearly demonstrated that there will be a spillover effect in the other countries of ASEAN.

Structural problems hampering closer economic interactions can also be underestimated in Washington.[14] Bureaucratic intricacies encountered by American negotiators should be viewed within a framework that includes six dialogue partners with parallel institutional arrangements. Most ASEAN decisions are by consensus and require representation by all member countries. In meetings with an incomplete ASEAN component, issues have to be transferred to a different level. Full-time technical staff available for ASEAN missions are still scarce, as are systematic follow-up activities. The ASEAN Task Force report informs us that lower level decisions gradually must find their way to the meeting of the ASEAN economic ministers. Since they meet only twice annually, a proposal which is not approved on one occasion may have to be reconsidered six months later. And, of course, actual implementation will have to cope with the national bureaucracies of six countries.

An interesting speculation is whether Americans command a sufficient familiarity with ASEAN's negotiating style for it to have an impact on the outcome of a dialogue.[15] Apparently, ASEAN officials concede that in international meetings, culture and social background variables are less significant than the uniform usage of English. Synthesizing positions prior to a meeting has proven to be more of a problem, and some ASEAN participants have expressed a concern over their "long shopping-list approach and the frequent intermingling of security issues with economic demands". Other officials have reached the conclusion that referring to the objectives of the New International Economic Order within the context of U.S.–ASEAN dialogues has invariably been counterproductive.

Goodwill on both sides to make the dialogue succeed is matched by a mutual feeling of uneasiness that procedures imposed by the incompatibility of two different negotiating levels could endanger tangible achievements. Should ASEAN fail to extract desired economic concessions through multilateral contacts, another attempt will be made bilaterally. The region will stand to gain in this process, but will regionalism?

Future Dimensions of the Dialogue System[16]

Several conclusions can be drawn from an analysis of inherent difficulties in U.S.–ASEAN interactions, most of them applicable to the other five dialogue partners. Despite a general willingness to co-operate on terms of reference defined by ASEAN, preference is given to bilateral links. Collective returns to ASEAN are minimal in relation to energies expended. Doubt is increasing whether ASEAN

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resource capabilities can manage with an escalating dialogue structure. The issue for ASEAN is: how can benefits be maximized and regionalism be enhanced?

One way is to improve what already exists. ASEAN has taken the first step by discouraging other countries interested in a dialogue relationship (such as Norway, South Korea, Romania and India) to pursue their objective. Instead, the Association seems to be prepared to explore new connections with other regional organizations, but with a definite limitation on the topics of discussion. Still, this method will not substantially decrease the demand for ASEAN negotiators. Eventually, the time will come for the organization to appoint a single spokesman, authorized to conclude agreements on behalf of member states. The present duplication of efforts militates against success.

Current practice, as is frequently mentioned by participants, has another limitation. Dialogues deal primarily with economic matters but ASEAN economic ministers have been largely excluded from the process. They have met with their Japanese counterpart but this exercise has yet to be expanded to other countries. A look at the flow chart of dialogue procedures entitled "The Process of U.S.-ASEAN Relations" indicates not only a relative isolation of ASEAN economic structures from international meetings but also a serious underutilization of the ASEAN Secretariat. Since most of the dialogue levels neither negotiate nor make decisions, the Secretariat's economic bureau and its foreign trade official could usefully substitute for delegates from national ministries.

Little has been said about the U.S.-ASEAN Business Council. Unjustifiably, its role is that of an appendix to the formal process. But as ASEAN activities expand resolutely into the private sector, and as the American business community shows an increasing interest in the region, a more active participation by the Council could mobilize presently dormant resources.

An alternative to incremental reform would be drastic revision. The durability of perennial topics on dialogue agendas seems to suggest a lack of leverage by one or another party for disposing of an issue. Since similar topics are being discussed with other dialogue partners, perhaps the post-ministerial meetings could be more inclusive or be duplicated among economic ministers. There could be an advantage in tightening the dialogue process for the sake of efficiency.

Third-country assistance for ASEAN projects has always been a primary objective but it has reduced the Association's flexibility in determining its own priorities. Consideration may be given to an all-purpose ASEAN development fund to which foreign donors, public and private, could contribute with, if desired, a disbursement preference. If this should cause a decline in external co-operation, it may be offset by more intense bilateral interaction, and thereby complement regional resilience.

American relations with ASEAN are positive yet only minimally productive. The cardinal emphasis of United States policies for Southeast Asia remains enhancement of member-state capabilities. The task of regionalism is to grow from within.

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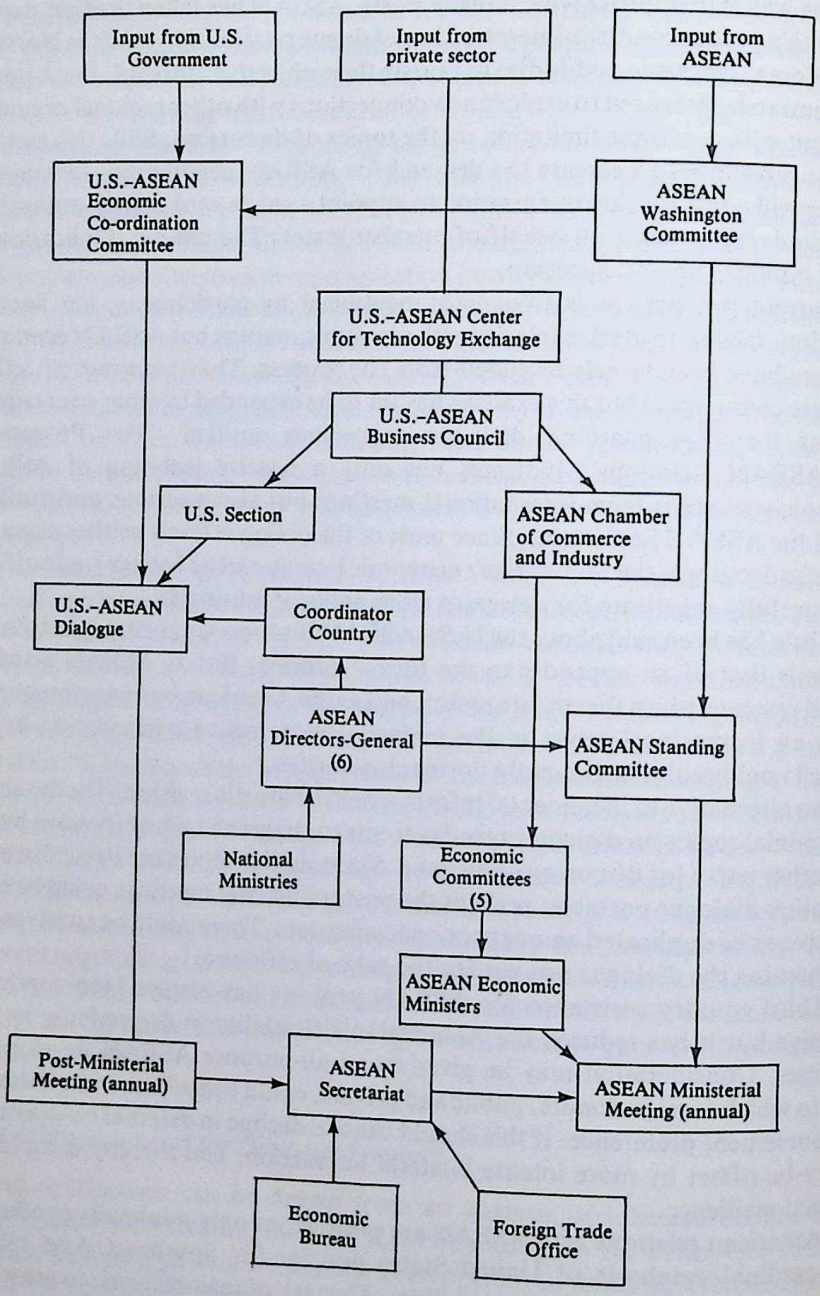
THE PROCESS OF U.S.-ASEAN RELATIONS



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2. For a more detailed assessment, see Hans H. Indorf, "The Kuala Lumpur Summit", in *Southeast Asian Affairs 1978* (Singapore: ISEAS, 1978), pp. 41–43. The U.S. view is expressed in Larry A. Niksch, *ASEAN: An Emerging Challenge to U.S. Policies Toward Asia* (Washington, D.C.: Congressional Research Service, 1978).
3. ASEAN also considers these talks as part of the global North-South Dialogue. See ASEAN Memorandum No. 1, item 6, of the Second U.S.-ASEAN Dialogue, 2–4 August 1978 (Washington, D.C.: mimeo.), p. 4.
4. *Draft Annual Report of the ASEAN Standing Committee, 1984/1985* (Kuala Lumpur: mimeo., 8 July 1985), p. 42; and *Joint Communique of 18th AMM* (Kuala Lumpur: 9 July 1985), item #26, p. 12. The other assignments were: Brunei Darussalam and New Zealand; Indonesia and the EEC; Malaysia and Japan; Thailand and Canada; Philippines and Australia; and the ASEAN Central Secretariat and the UNDP/ESCAP.
5. On Bangkok television, as quoted by *Foreign Broadcast Information Service* (*FBIS*), *Daily Report*, Vol. IV, No. 048, 12 March 1986, pp. J1 & 2.
6. The Secretariat of the U.S. Section at the U.S. Chamber of Commerce issues periodic statements on programmes and economic concerns. The 6th Joint Business Council meeting was held on 6–7 May 1986 in Jakarta.
7. The attributes of diplomatic protocol remain of great importance to ASEAN. On two occasions, in 1980 and 1982, ASEAN cancelled a dialogue rather than accept an official of lower rank than a full minister. See Hans H. Indorf, "Political Dimensions of International Cooperation" in *Round Table*, No. 286 (April 1983), pp. 131–32.
8. *New York Times*, 23 January 1986. Kenneth Dam was quoted in the *ASEAN Newsletter*, No. 3 (May/June 1984), p. 6. For George Shultz, see note 1 above, p. 22.
9. Guidelines were adopted and distributed among member states in 1978. See *ASEAN Yearbook 1980* (Singapore, 1979), p. 49.
10. In the *Opening Statement to the 18th Annual Ministerial Meeting* (Kuala Lumpur: 8 July 1985), p. 6.
11. "ASEAN Task Force Report" (mimeo., June 1983), p. 44. A sympathetic American view is presented by Larry A. Niksch, *ASEAN: Economic Development Prospects and the Role of the U.S.* (Washington, D.C.: CRS, 1984), pp. 14ff.
12. Opening Address to the 17th ASEAN Economic Ministers' Meeting in Kuala Lumpur, 7–9 February 1985, in *FBIS*, Vol. IV, No. 028, 11 February 1985. Additional details can be found in *New Straits Times*, 10 February 1985.
13. Speech to the 18th AMM (Kuala Lumpur, 8 July 1985), p. 2. Although critical of outsiders, Dr Mahathir exhorted ASEAN "to stop being merely dreamers and to be doers". Mr Dhanabalan made his Opening Statement to the same gathering on the same day.
14. A full examination of this aspect was made by Hadi Soesastro, *Future ASEAN-U.S. Economic Relations: Perspectives on Strategic Planning* (Jakarta: CSIS, 1980), which is still largely applicable today. Subsequent references are to the "Task Force Report" (note 11), pp. 33–34.
15. A novel exploration of this topic can be found in Pushpa Thambipillai and J. Saravanamuttu, *ASEAN Negotiations: Two Insights* (Singapore: ISEAS, 1985), pp. 16ff and pp. 46–47.
16. The 1968 U.S.-ASEAN dialogue included an item "Overview of U.S.-ASEAN Dialogue" for which Singapore presented a rather critical analysis of past results. Despite discussion of a number of improvements in the process, general agreement was limited to "strengthening negotiations" and greater use of the AWC in Washington. See *Summary Record* (7th ASEAN-U.S. Dialogue), Singapore, 8–9 May 1986, pp. 5–6.

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The World of ASEAN Decision-Makers: A Study of Bureaucratic Elite Perceptions in Malaysia, the Philippines and Singapore*

ZAKARIA HAJI AHMAD

Introduction

It has been suggested by a senior Southeast Asian politician that the Association of Southeast Asian Nations (ASEAN), comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand, is ". . . more than an organisation. It is a state of mind . . . ."[1] This declaration indicates that the regional organization established only in 1967 has endured because of a commitment transcending objective difficulties and national priorities. As stated by the same person, "the success of ASEAN is not based on treaty or contractual obligation".[2] Given the euphoric statements usually acclaimed at the conclusion of many ASEAN ministerial meetings, however, such a "state of mind" as asserted, even if justified, might well be only the underlying psychological preserve of ASEAN ministers. It would not, presumably, explain the slowness of implementation or even the actual process and travails of the regional organization itself.

At the outset, it should be evident that a host of factors and viewpoints are pertinent in assessing the success of ASEAN as a regional co-operative arrangement between the original five member states (which were joined by a sixth, Brunei, in 1984). Although it is generally conceded that ASEAN's success has been more "political" in nature,[3] apprehension has been expressed that its seeming political solidarity and group cohesion, especially concerning regional issues, might well be nullified by lack of advance in the sphere of economic co-operation. For example, writing in 1978, Michael Leifer even argued that there was a loss of momentum in ASEAN because of "the evident inability of the member states to forge a consensus on economic cooperation beyond a token level".[4] Such an assessment, written only two years after the Declaration of ASEAN Concord and the Treaty of Amity and Co-operation, may in retrospect have been premature, but it seems salient even now that progress in economic co-operation lags behind utterances of ASEAN political will to forge regionalism.

Based on the agreements arrived at in 1976, four areas of economic co-operation — which in the words of one observer signified "the longest and most detailed provisions of" the Declaration of ASEAN Concord[5] — had been identified: co-operation on basic commodities, particularly food and energy; co-operation in the establishment of large-scale industrial projects; co-operation in intra-regional trade liberalization; and joint approaches to international commodity problems and other world economic problems. More concretely,

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however, ASEAN attempts at economic co-operation have centred on three measures: ASEAN Preferential Trading Arrangements (PTAs); ASEAN Industrial Projects (AIP); and ASEAN Industrial Complementation (AIC) in the production of automotive parts, chemicals and processed foods.[6] One might additionally mention the enhanced pace of a joint ASEAN position in "third country" dialogues with its major trading partners and international institutions.

Although there has been some progress in some of these areas,[7] the actual dynamism of co-operation seems to be continually stalemated by the intricacies of the deliberations between the member states of ASEAN. Analysis of the problems of economic co-operation has already been attempted,[8] but beyond reductionist statements blaming national interest for the slow rate of implementation of designated projects and activities, there is still insufficient investigation into the dynamics of the processes of ASEAN economic co-operation. More particularly, it becomes critical to ask if a sense of regionalism pervades ASEAN, or even if there is an ASEAN "state of mind".[9] Beyond the structure and dynamics of decision-making in ASEAN, it is pertinent to ask if the "underlying psychological propensities" described by G. Almond and G.B. Powell[10] are an important dimension of behaviour and performance. Specifically, then, there is a need to look at the attitudes and perceptions of ASEAN decision-makers apart from the politicians, whose commitment to the organization is already explicit.[11]

The Problem Defined

As in many other organizations, much of ASEAN's work is done by persons designated for such special tasks. But, unlike a regional organization such as the European Economic Community where decision-making is centralized and the staff are "supra-national" in orientation, a large proportion of ASEAN's work is done by personnel who run the various member-states' national agencies responsible for facilitating regionalism. To all intents and purposes, these persons are the members of the national bureaucracies designated to handle the different types and levels of ASEAN activity — they are below the level of the ministers who run the day-to-day affairs of ASEAN.

The work of such bureaucrats in decision-making and project implementation cannot be over-emphasized. In addition, it needs to be stated that such "bureaucratic activity" is manifestly complex and technical. In the work of officials assigned to achieve "preferential trading arrangements" (PTAs) within ASEAN, for instance, the range of discussions includes tariff reductions, government-to-government purchasing, long-term contracting as well as sectoral and non-tariff approaches such as licensing.[12] Officials assigned to deal with these intricate matters have to acquire and exercise competence and negotiating skills as well as represent national and regional interests. In most instances, these officials are also expected to perceive what these interests are. In PTA negotiations in the food producing sector, for instance, one official even remarked that "the depth beyond a 25 per cent level of trade preference was a difficult and unclear area".[13] In

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short, the assumptions of this study are that the work of these bureaucrats is important in ASEAN co-operation, and that an understanding of their perspectives on their roles would illuminate the subjective realm of ASEAN.

Who are these bureaucrats and what are their roles? Are their views, attitudes and values inimical or a boon to ASEAN regionalism? How important are their views in both national and regional contexts? Do the patterns of their training and socialization have any relationship to their values and views? How do they see ASEAN in regional and global terms? How do they view the problems of ASEAN development and security? Are these views comparable or in contrast to officially known perspectives? These and other queries, then, form the basis of this study of the values, beliefs and attitudes of ASEAN decision-makers. More specifically, this is a study of the views and perspectives of the bureaucrats of Malaysia, the Philippines, and Singapore[14] who deal with ASEAN affairs.[15]

The Structure of Decision-Making

The national bureaucrats who work on ASEAN affairs might appropriately be called the "decision-makers" of the regional organization, for it is they who carry out the day-to-day chores — formulation of policy and viewpoints, attendance and deliberation at meetings, negotiations and discussions, and implementation of decisions.

Primarily, these decision-makers are the staff of the ASEAN National Secretariat (ANS) in each of the member states' Ministry of Foreign Affairs (MFA). According to Nishikawa, after 1976 the ANS had been changed to the "Office of the Director-General, ASEAN (name of member country)",[16] although he observed that "these offices continue their previous functions and work effectively to complement the work of the ASEAN Secretariat in Jakarta".[17] However, reference to the ANS was constantly made by respondents interviewed in the course of this study. Even in the Philippines, where the Ministry of Foreign Affairs was reorganized in late 1982, with the "ASEAN National Coordinating Commission" being renamed "Office of ASEAN Affairs", this will "not affect the ASEAN desk".[18] ASEAN work is usually conducted through negotiations at ministerial level, and within the Standing Committee (which is formed in the country where the Foreign Ministers' Meeting is held) and the "permanent" committees (of which there are nine).[19] However, it is the ANS that "coordinates" each country's position at ASEAN deliberations.

Outside each MFA, decision-makers dealing with ASEAN come basically from "technical" agencies — such as the departments or ministries handling economic development and planning, trade and industry, transport, communications, health, forestry, science and technology, energy, agriculture, and primary industries. Usually, these "secondary level" officials deal with matters handled by the specific ASEAN committees. (In some cases, however, some ANS officials also deal with specific technical matters.)

In all the three countries studied, ASEAN matters are also attended to by some

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of the most senior MFA officials, although most of the work is done by the national secretariat. The MFA's advice is sought on all matters relevant to ASEAN, indicating the primary influence and position of the MFA's bureaucrats.

However, although it is possible to picture concentric circles of ASEAN decision-makers, with MFA top officials at the core surrounded by ANS officials as a primary circle and technical officials as the outer ring, the locus of authority remains blurred. During ASEAN meetings, this blurring may occur because of the nature of a member-state's governmental system — for example, competition or rivalry between ministers can hinder the decision ANS officials can make or convey without clearance from the highest authority of that country. The administrative style of a particular country has some relevance as well, as will be seen below.

The conceptual distinction between primary and secondary agencies appears most valid in the Malaysian and Singaporean cases. In the Philippine case, however, it has been observed that there has been a steady erosion of the MFA's role and influence in foreign policy, including ASEAN matters, as a result of a heightened sense of the importance of economic parameters in external relations and the advent of "development diplomacy".[20] The role of the Philippine MFA may, therefore, be subject to contending rivalry from other agencies, especially the National Economic Development Agency (NEDA), a situation that seems amplified by the view of one Filipino respondent that "economic planning officials had much influence on questions relating to regional cooperation in as much as it related to economic matters". In this case, then, the MFA's role as a primary locus of decision-making may be shared by other agencies and subject to the nature of inter-agency relations.[21] However, according to the Filipino respondents, the MFA's role was still important in an overall sense although it was also clear that policies of an economic nature were more within the sphere of NEDA. Indeed, one respondent described the MFA's role as important in the "political aspects" of ASEAN, and that there was "no inter-agency struggle because of the close relationship between NEDA and the MFA".

Although the MFAs in all three countries usually have the "final say", in a number of instances the agency that is designated as the co-ordinating body for a particular agenda attempts to "take the lead". One MFA respondent who dealt with "technical" matters asserted that although 80 per cent of ASEAN business concerned economic issues and the other 20 per cent political, the latter was "glamourized" by the press. This is significant not only in terms of the perception, but also because it again raises the question of the exact locus of authority and decision-making within the agencies dealing with ASEAN affairs.

It is apparent that the machinery for ASEAN decision-making has become increasingly complex: so much so that there is an ongoing attempt at reorganizing ASEAN procedures. In several instances, certain problems have become so big that an individual ASEAN country is simply assigned to deal with it. In other areas, one country has been allowed to chair a committee, rather than rotate the chairmanship. Decision-making resides in committees in which all ASEAN members are represented, but the work of these committees is slow and tedious, so

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verbal consensus is often achieved prior to the actual working out of details. Although there are already five committees established under the aegis of the economic ministers, it is felt that a sixth — on energy — should be set up. Decisions made by the committee are then affirmed by the respective ministers and standing committees. That agreement can be reached almost informally indicates an air of ease in ASEAN decision-making.

If certain national circumstances render it difficult to pinpoint the exact locus of authority, it was also revealed by a senior ASEAN Secretariat official that, for the grouping itself, the relative importance of the foreign and economics ministers remains to be established. It is thus unclear whether the deliberations of the meetings of the five (later six) foreign ministers or of their economic counterparts holds greater weight.[22]

The "ASEAN officials" of the respective MFAs represent their countries' interests at ASEAN deliberations but the platform, as it were, on which they interact is governed by what may be called "codes of behaviour". Essentially, these "codes" have been set by the Bangkok Declaration of 1967, the ASEAN Concord and the Treaty of Amity and Co-operation as well as supplementary agreements. Interestingly, however, such a revelation came only from one source — a Malaysian respondent. This might mean that such codes of behaviour are assumed to be obvious, or it could reflect the fact that Malaysian decision-makers operate in what they understand as a "formal" context, whereas other respondents presumably did not feel so inclined. In a related sense, Singaporean respondents had also a notion of the "formal" nature of organizations, and in identifying problems faced by ASEAN one noted that there were "serious problems in administrative matters such as budgeting". He opined that Malaysian and Singaporean administrative styles "exercised more control" over such matters whereas the Filipino and Indonesian approaches were "rather loose". Malaysian and Singaporean respondents apparently thought that such problems had to be dealt with before any expansion of ASEAN could be undertaken.

The views and opinions of these decision-makers underscore the structure of decision-making on ASEAN affairs in their respective countries. As one Malaysian respondent put it, decision-making in Malaysia is "tilted in favour of bureaucrats", a style that corresponds with the heavy influence of the bureaucracy in what Esman called "an administrative state".[23] This was not, however, the impression gained from Singaporean respondents, indicating more direct control by political ministers over bureaucratic decision-making. In the Philippines, control over bureaucrats would seem to be subject to at least seven major groups,[24] although respondents who were "secondary" officials indicated a more direct concern by ministers (who are largely economists) over issues of economic co-operation. Indeed, Manila has established a ministerial and technical committee on ASEAN economic co-operation, chaired by the Prime Minister. Nonetheless, it is apparent even in the Philippines that the views and advice of its bureaucrats are heavily relied upon.

Members of each country's ANS attend ASEAN meetings, having prepared

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briefs according to their respective national viewpoints. Given that each national position on any particular issue would have to be vetted by the higher echelons of each country's MFA, it was not clear from the views obtained whether the ANS staff's views were always readily accepted or were sometimes altered. But the impression gained was that the ANS views often had some weight. In this regard, the "style of administration" in each particular country is probably important. The Malaysian and Filipino respondents were more "open" in their discussion of viewpoints, whereas the Singaporeans were rather reluctant. This could mean that the "vetting" procedure is more rigorous in the Singaporean situation but much less so in the Malaysian and Philippine contexts.

The degree of control in each situation also depended on the seniority of the ANS official concerned. The more senior the official, the less rigorous the vetting. For example, in the early years of ASEAN, Singapore's ANS was a "one-man show" and the span of decision-making was small; indeed at one time the ANS Director-General was *the* most senior MFA official. Given also the priority now accorded to ASEAN, it seems likely that officers assigned to an ANS will have a fair degree of seniority: this was certainly the case for all the respondents interviewed. Because of the small span of authority, ASEAN officials are in very close communication with their bureaucratic superiors and political masters. The degree of control was, therefore, a question of not only the extent of seniority but also of the very compact nature of organization of ASEAN activities in each country. The ASEAN bureaucratic decision-maker as such occupied a critical place in each member state's decisions on ASEAN-related issues.

It may be presumed that each ASEAN decision-maker acts and makes decisions according to what he perceives to be the best interests of his country. It appears, from one source, that such a predisposition also exists amongst the ASEAN officials nominated to conduct ASEAN's affairs *on behalf* of ASEAN. According to the regulations, such an official "cannot participate in politics" but can "facilitate matters" in his or her own country. The impression gained from the self-assuredness of the respondents is that although they represent their respective countries, their style is individual, not national. Thus, while each decision-maker is an individual who sees his country's interests as tied in to ASEAN, no decision-maker acts purely in the interests of ASEAN.

The representation of one's national interest(s) is an important component of each individual's self-awareness of his or her own role in the regional organization. Generally, respondents affirmed this role of maximizing their own national interests in ASEAN's deliberations, but rationalized this as a necessary step — not doing so would be "harmful" to one's own country, and in any event such maximization of national interest was not seen as damaging to the regional organization.

In more "technical" areas, it was admitted that competition among ASEAN member states was necessary, but that at the same time joint efforts were being made to minimize the effects of this on regional co-operation. Decision-making is being structured in terms of collaboration, not co-operation. An example of this

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relates to an ongoing attempt to establish a joint ASEAN shipping service through equity participation, a proposal being mooted by the Federation of ASEAN Shippers' Councils to the Federation of ASEAN Shipowners' Associations.[25] Interestingly, this proposal is being proposed as an alternative to the Far East Freight Conference (FEFC), whose rates are considered too competitive for the individual, nascent shipping lines of ASEAN.

If national interest is regarded as an important component of the decision-maker's stances, are there frictions in the process of ASEAN decision-making? This is an issue that cannot be resolved or answered on the basis of the available interview evidence. Different national interests led to different nuances but there emerged a perception that "openness" is important. One source stated that no suspicions existed in the decision-making corridors of ASEAN but that one "could tell what another was driving at". It is also pertinent that there is a view that the leaders of ASEAN prefer not to allow bilateral issues within the organization to emerge as stumbling blocks in discussions. Perhaps, indeed, there is a notion that certain problems are best swept under the carpet, a style that might conceivably be regarded as non-Western or even indigenously Southeast Asian.

Nonetheless, the question of national interest is probably a central factor in the process of ASEAN decision-making. Sometimes the notion is that, as bureaucrats, these decision-makers perform only their assigned tasks and nothing more. Style of course is important. One view classified the Filipinos as "liberals" who acted more like the "private sector" of their own country. They thus pushed for free trade just as the private sector would. But other nationals saw the issue differently, and analysed it cautiously. This had to do with "national style" as well — the inaccuracy of statistics (except for Malaysia and Singapore) was viewed as a national element that sometimes made discussion a lot more difficult. If an issue became too difficult to negotiate at meetings, it was pushed on to be deliberated by the respective ministers; such deliberations did not involve bureaucrats, who were only informed of the outcomes later. This also implied that ASEAN decision-makers are generally more "rigid", perhaps even pushing their national interests further than necessary. Such rigidity can be explained by a view that, notwithstanding a prevailing spirit of "give and take", ASEAN should not violate the national interests held sacrosanct by its members.

Views on Economic Co-operation

If, as perceived, national interest is an important postulate from which ASEAN is to proceed as a regional organization, then it might be surmised that there are real barriers to economic co-operation apart from technical and organizational factors. But among the respondents there also emerged a realistic appreciation of the nature of co-operation which, as has been suggested, might better be seen in terms of "collaboration".

Time and a sense of perspective were quickly asserted as necessary factors in considering ASEAN economic co-operation. After all, "up to 1976, there had been

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no catalytic event that spurred the organisation". Since 1976 concrete progress has been made, "even if regarded slow by outside observers". Signs of co-operation appeared in PTAs, industrial complementation and dialogues with third countries. Singaporean respondents pointed to the success of a joint ASEAN stand on textiles and in negotiations on air travel prices, and a Filipino to ASEAN's cohesion on the issues of tin sales and tapioca exports to Western Europe. That some time must elapse before economic regionalism gets off the ground is acknowledged, but the achievements so far are felt as "psychological breakthroughs", as one respondent stressed.

There is little evidence to explain the slowness of economic co-operation, although it is apparent that political factors underlie the complexity of the negotiating process. Thus, one respondent's notion that "free trade has no political implications" was balanced by others' views that "intra-ASEAN trade still had a long way to go" because of the "problem of achieving a consensus among ASEAN's five member states". And if free trade meant an ASEAN-wide market, there was a fear that "one or several of the member states would benefit more than the others".

But if it was admitted that ASEAN economic co-operation was "only at a preliminary stage", there was also a view that ASEAN could not and should not be compared to other cases of economic co-operation, especially the European Community. On the contrary, one view was that "European unity was apparent only now though conflict was obvious earlier on", whereas "there was less conflict in ASEAN" and hence "a better opportunity of achieving enduring unity".

If politics were a vital factor in economic co-operation, then political goals were at least as important as economic goals. This perspective emerged among Malaysian and Filipino Ministry of Foreign Affairs' respondents, and perhaps more so in the former than the latter. Among Singaporean respondents, the responses indicated a separation of the political and economic spheres of co-operation.

Thus, from a Malaysian perspective, the "material benefits" of ASEAN "are only a bonus, as a means of achieving an environment of peace so that Malaysia can develop peacefully". Although there were certain problems in regional co-operation, the "benefits outweighed the disadvantages". If the Malaysian perspective evaluated the lag in economic to political co-operation as not necessarily inimical to ASEAN, the Filipino perspective provided the same evaluation in more prescriptive terms. The "best defence for ASEAN", it was argued, was economic co-operation on a regional scale; on the other hand, "if a country went on its own, was denuded and went bankrupt, there was no one to guarantee its survival". Such regional unity, it was also reasoned, was necessary to prevent "economic exploitation by countries such as Japan". The overriding view was that economic co-operation was more important in terms of its political achievements than of its economic benefits.

But, from a Filipino perspective, this did not preclude a discussion of the importance of economic factors in regional economic co-operation. Indeed,

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because free trade is a national interest of the Philippines, "the subordination of ASEAN to national interest has been less so in this country than the other member states". ASEAN has progressed as a regional organization, but "its progress would be more substantial if its achievements are in economics". And, "ASEAN would truly be a success if such was an economic success, since its member states are essentially competitors". More concretely, there was a "need to 'harmonise' industrial projects to offset competition and duplication", but "the weakness in co-operation lay in the lack of altruism at the level of operators".

"Altruism" might well be the same side of the coin as consensus, which imply that economic co-operation has to be based on parity terms. As ASEAN is only beginning to industrialize, "fears exist that industrialisation may lead to certain ASEAN members having advantages over the other(s)". Such an argument was not so sophisticated as to pinpoint differing rates of industrialization in ASEAN or the intricacies of export promotion versus import substitution strategies between member states, but it was clear that the issue of "local content requirements" was salient in ASEAN negotiations on industrial projects and complementation. In the area of PTAs, it was noted that the Philippines was keen on increased trading in the food sector but that "sensitive" items (such as tobacco and liquor) under such a listing had resulted in an "exclusions list". Although it is apparent that a "fear of domination" exists, nonetheless there has been "an increasingly liberal attitude" in PTAs. But, importantly, fears of domination were always stated as perceptions of others: for example, a Filipino respondent would refer to the fear of the Singaporeans of domination by the Indonesians, and so on.

On the whole, ASEAN decision-makers in the member states are cognizant of the differing perspectives held on economic co-operation but do not claim that this will ultimately be an insurmountable barrier to ASEAN regionalism. As one respondent explained, "differences in perception are not bad, since these make clearer the path ahead". And, if political imperatives are inextricably linked to economic realities in the negotiations on economic co-operation, it is not so much that the lack of implementation was due to the fact of competing national interests. For, after all, "all decisions are political", and if any gap existed between decision and implementation, it is "more a question of bureaucratic inertia". Such a view places weight on the role in decision-making of the perceptions and preferences of those ASEAN officials to whom we shall now turn our attention.

The Decision-Makers

ASEAN decision-makers in the Philippines, Malaysia and Singapore are "senior" officials. Besides stints overseas — several having held ambassadorships — all have served more than five years, often at least double that, in their respective services. By any measure, they are knowledgeable career professionals. All speak English (which is arguably the language of ASEAN), all are university-educated, and a few have post-graduate qualifications obtained in the United States. They are mainly middle-aged.

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It became readily evident that these decision-makers could be characterized as either (a) the "foreign ministry type" or (b) the "technical ministry type", a characterization that correspond to the concentric layers of influence described earlier. Both types, however, could be considered "technocrats" in that there was a "shared ideology of modernisation, an aversion to politics, a belief in the free enterprise system and yet a need for government planning, an elitist view of society, and a commitment to development".[26]

There was also a shared optimism among ASEAN decision-makers regarding the future of the regional organization. To some extent, there was also an air of impatience concerning the deliberations of ASEAN. Generally, the "foreign ministry type" was more cautious in evaluating the "slowness" of ASEAN while the "technical type" believed more action should be taken to make ASEAN work. There were, of course, differences in viewpoints within the two types according to nationality, but in the main the typology held.

Neither category of officials had prior, expert or intimate knowledge about the subject matter they had been assigned to. They were aware, but not too precisely, about the area known as Southeast Asia or even ASEAN, but it became very apparent that their knowledge of ASEAN concerned basically the specific issues with which they had to deal. In this respect, the "MFA types" were at times disappointing in their lack of appreciation of the complexities of politics in their ASEAN neighbours; the "technical types", on the other hand, seemed content to leave questions of a political nature as a "residual matter", or something to be dealt with by the "MFA types".

Once initiated into ASEAN affairs, however, these decision-makers developed an affinity for the subject just as they would for any other. ASEAN for them was a working reality even if the concept appeared nebulous at times. These decision-makers' educational background and earlier socialization were largely irrelevant but their appreciation of ASEAN, its problems and promise was of a high calibre.

The ASEAN decision-making élite had witnessed the steps to independence taken by their respective countries in the post-war period. These decision-makers could be considered as political modernists in that they shared a belief in the future and progress of their respective countries. Through ASEAN, they became aware of the opportunities that regionalism could bring for their countries; in the process they also became aware of the similar problems faced by their neighbours. Trained in local but Western-style tertiary institutions, they shared a comparable socialization process — all were trained in the social sciences, the liberal arts or law — and now by interacting among themselves were also sharing the experience of making decisions for countries still coping with problems of nation-building.

But, as career bureaucrats, ASEAN decision-makers were merely assigned to "the ASEAN desk"; virtually all expected to be reassigned at some point. It appeared likely, though, that they would hold on to their views and beliefs about ASEAN even after being reassigned to other desks. It is obvious that these

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decision-makers viewed the instrumentality of ASEAN as compatible with what they believed to be their countries' best interests.

As decision-makers responsible to their governments, it might be expected that these officials would pursue as much as possible their countries' national interests in the deliberations of ASEAN. More importantly, perhaps, these decision-makers themselves might be the initiators and promoters of policy, dealing as they did with ASEAN affairs. In this regard, however, only the "MFA types" were really able to explain the bases of their country's ASEAN policy. Indeed the "technical type" tended to blame ASEAN's lethargy on "the politicians", both their own and in other ASEAN capitals. No respondent gave any views about ASEAN and domestic political considerations, an indication that ASEAN is seen in purely "business terms". The ability of "MFA types" to provide an appreciation of the political context of ASEAN had much to do with their experience and training in diplomacy and the political analysis of other countries.

But, at the same time, almost every respondent tended to evaluate the problems of ASEAN in terms of what were perceived to be the "problems of other countries". Thus, a failure to decide upon a policy on a particular issue was seen as the result of another country's system of Cabinet responsibilities, not one's own. Nonetheless, although these decision-makers could be identified according to their nationalities, their views were individual. Based on interview data alone, it cannot be said that there is a Malaysian or a Singaporean or a Filipino viewpoint but rather that each respondent holds individual perceptions regarding ASEAN and the other ASEAN countries.

If "ASEAN regionalism" is measured in terms of an empathetic feeling amongst the political units that comprise the Association, it can be said that this notion is not always evident among ASEAN's decision-makers. Indeed, there emerged an almost unflattering view of the national "styles" and bureaucrats of the other countries. A Filipino official even lamented that the other ASEAN delegations came ill-prepared for meetings, as opposed to the preparedness of his or her country's delegation. A Singaporean felt, however, that the Filipinos are somewhat ambivalent regarding their involvement in ASEAN and that this made evaluations about their stand rather difficult. A Malaysian felt that the Thais and Indonesians are "not vocal" at meetings, whereas the Filipinos "talked a lot, but with little substance".

Although the respondents were willing to share their views, both favourable and unfavourable, concerning the working of ASEAN, they eschewed any evaluation of the social and political systems of their own countries and their neighbours. They displayed pride in their countries, but reserved their criticism of others, save for their interpretations of ASEAN business conduct. It can be said that the ASEAN decision-makers are conservative in that they do not see their roles as the initiators of social and political change in their own countries or in the region.

Frequent meetings have resulted in a familiarity among ASEAN officials. It was readily acknowledged, however, that the process of familiarization had been agonisingly slow in the early years, but had quickened after 1975. On average, an

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ASEAN official attended no less than two ASEAN meetings outside his country in a year. Familiarization concerns not merely other officials but also the bureaucrat's growing knowledge of ASEAN's geography — capitals, regional cities and even the favourite haunts of the locals of each city! But, in spite of this familiarity, the closeness between officials is still limited. A few friendships have developed, but more often than not officials kept with their own delegations at and after meetings.

On the other hand, within each country there has been the bonus of greater familiarity between officials of different agencies: without ASEAN, these officials would conceivably have remained worlds apart. Interestingly, the interview data do not reveal any feeling of intra-agency rivalry, indicating that "bureaucratic politics"[27] is more limited than might have been expected.

In summary, then, it can be said that ASEAN decision-makers are a technocratic élite who are as representative as they can be of each ASEAN country's bureaucracy. Their fears of and aspirations for ASEAN are experiential in that they are learning about regional co-operation through the very process of interacting with other nationals. In doing so, they are learning about their own countries as well. But in spite of their sometimes negative perceptions of each other they cling to a belief in the future of ASEAN as a regional entity.

An ASEAN Belief-System

If, as has been stated earlier, it is difficult to delineate a psychological frame of reference among the respondents according to their nationality, can it be assumed that an altruistic collective notion along the lines of an "ASEAN concept" has emerged? The ASEAN concept itself is difficult to define exactly or concretely, and certainly there are different viewpoints on ASEAN within the regional grouping itself, but it might be said that a spirit of "working together" forms an important feature of this grouping. That such a spirit is said to exist implies that a belief-system exists in the minds and thinking of ASEAN decision-makers. Such an implication demands an inquiry into the perceptions of the "universe" of the ASEAN concept: its internal dynamics, its *raison d'etre*, its role in Southeast Asia, and the role of other countries in the region.

Although three strands ("ASEAN solidarity", "ASEAN consensus", and "the primacy of ASEAN") are identified below as comprising the "ASEAN belief-system", it should be emphasized that the three are separated merely for analysis, that essentially they form a whole, inseparable basis for the notion of "working together" in the organization. At times, indeed, the three elements may be seen as so linked together that even to think of them as conceptually compartmentalized becomes erroneous.

It is pertinent to pause at this point and ask if an ASEAN belief-system has any connection with the official ideology of any or all of the ASEAN states. This connection, however, did not appear salient, although in the Malaysian case it became rather clear that respondents' perceptions of the importance of ASEAN

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reflected official belief in the regional concept. But until Malaysia's official ideology formally embraces the concept of ASEAN, there is no cause to assert any connection. ASEAN countries as a whole may, of course, be described as "non-communist", and as practising free enterprise (albeit, perhaps, with some controls), but these orientations are not manifest as *official* ideologies. ASEAN decision-makers nonetheless held views and perceptions that correspond to parameters contained in the strands described below, but to portray these as an ideology may be somewhat premature.

The reliability of the stated views, perceptions and beliefs of each ASEAN decision-maker is of course a moot issue. But, it must be stated that the respondents appeared frank in giving their thoughts and the information presented was probably as honest and genuine as it could be.

ASEAN Solidarity

An important dimension that emerges from ASEAN decision-makers' experience of "working together" is a fusion of views on why the five member-states should co-operate. There was a feeling somewhat that, to echo the words of an outside observer, if "ASEAN did not exist, it would have to be invented".[28] The necessity to co-operate, to have solidarity, is deemed a function of a "hostile" environment, no doubt fuelled by the rapid changes in the geopolitical situation of Southeast Asia since 1975. In addition, in dealing with others, solidarity was felt to be a prerequisite in talking to actors in and outside the region. In this sense, then, the items that can be seen as important to ASEAN solidarity concern purpose, and defence and security in both national and regional terms. Nonetheless, it was also revealed from the interview data that doubts existed as to whether such solidarity could be achieved satisfactorily.

In the words of a Malaysian decision-maker, ASEAN is important "not in what it achieves but more in what it represents". The sense that ASEAN membership bestowed benefits which were in the main intangible is a perception essentially shared by the Singaporeans and Filipinos. That the commitment to ASEAN was there was stressed by a Singaporean respondent: "we always will send somebody to an ASEAN meeting". A perception emerges, then, that ASEAN is becoming more cohesive as a consequence of ASEAN. In this regard, ASEAN solidarity has much to do with national solidarity.

The balance between regional solidarity and national solidarity can be viewed as a "tussle" in the minds of some ASEAN decision-makers. There was general agreement that ASEAN "is not a supranational organisation", nor even intended to be one, but that by working together instead of by themselves its members would provide a strength in international relations which would increase ASEAN's stature. On the other hand, however, one respondent offered the view that although statements of an ASEAN stand or policy position could be furnished, in reality "there are five national viewpoints being presented". But these respondents recognized the strength that ASEAN gathered because it was a collective organiza-

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tion of five states, a notion that "five is better than four than three . . . than one". Its collective strength was most clear when dealing with third parties such as Japan, the European Community, the United States, Australia and New Zealand.

Asked whether Vietnam could be a thorn in the side of ASEAN's unity, the self-assured view was offered "that it could not split ASEAN". A notion of mutually reinforcing national and regional "resilience" is of course often enough repeated in policy papers,[29] but hearing the argument stated by the respondents indicates that such a belief may be more than rhetorical.

It was generally felt that bilateral problems among the member-states of ASEAN could be more easily resolved as a consequence of ASEAN. Because of ASEAN, "a lot of bilateral irritations are reduced". According to one Filipino respondent, the Philippines had "paid the highest political price" by joining ASEAN since it meant giving up the Sabah claim. Another view gave a more realistic appreciation that "bilateral problems exist but these are not any different from anywhere else in the world". ASEAN solidarity, then, also helped to promote bilateral solidarity between its members. However, it should be made clear that ASEAN does not provide a forum for the discussion of bilateral issues: issues only become items for ASEAN's agenda if all *five* member-states agree.

Apart from the aims of ASEAN that can be found in the "codes of behaviour",[30] respondents claimed that "without ASEAN, regional stability would be affected", and that "ASEAN provides a positive factor for stability in Southeast Asia and that without it the region would pull apart". ASEAN was not seen as a defence pact, but the grouping provided a collective identity that would enable regional countries to "ward off" challenges to their security. Such an identity was viewed as highly important after the fall of Vietnam to the communists in 1975, but it was also seen as necessary in order to "resist" the "threats" emanating from major international powers. There was, therefore, a "paramount need" for the countries in the region to get together.

As has already been observed, the perceived national interests of its member states strongly influence their policies towards ASEAN. Yet, such perceptions did not indicate selfish parochialism but rather that such national interests are inextricable from regional interests. This observation can be applied to all the views expressed by the respondents, but there was also a widespread feeling that the other respondents did not quite understand the linkage. One Filipino respondent was anxious that the other ASEAN countries recognize the need for the Association to face up to the challenges likely to emerge in Southeast Asia, especially the threat posed by Vietnam and the big powers. On the other hand, one non-Filipino respondent felt that the Philippines did not quite understand what ASEAN was all about and that in fact "the key countries of ASEAN are Malaysia, Singapore and Indonesia".

Malaysia sees ASEAN as providing an important vehicle for the realization of a "Zone of Peace, Freedom and Neutrality" (ZOPFAN). Such an "environment of peace" would then allow for "peaceful national development" in ASEAN's member states, "strengthening their hands to deal with domestic problems and

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third parties''. It was acknowledged that ASEAN was formed to tackle the issue of Vietnam, but that it also ''provides for peaceful co-existence in line with the Bandung Conference''. Furthermore, the regional organization was seen as beneficial to ''smaller countries'', and although there were problems, ''the benefits outweighed the disadvantages''. For these reasons, ASEAN had been accorded top priority in Malaysia's foreign policy.

It was not so clearly evident that ASEAN was a cornerstone of Philippine and Singaporean foreign policy. The considerations of these two countries were that ASEAN provided benefits which they as individual states could not easily attain. For the Singaporeans, ASEAN provided stability, helped attract investment, promoted tourism, and was as such a ''worthwhile enterprise''. The Filipinos saw ASEAN as an indication of a ''trend towards regionalism'' and hoped that it could achieve a strong sense of cohesion ''like the European Community''.

Although the Malaysian view was based on the notion of ZOPFAN, this was not seen elsewhere as an aim that could be achieved. Scepticism on this point was particularly evident in the opinions rendered by Filipino respondents. The view was advanced that such an initiative for an environment of peace should be realistically discussed in the context of the strategic factors affecting the region. What was menacing ASEAN and Southeast Asia, especially, was the Soviet Union, and to a lesser extent, Japan. It was felt that these threats were not being considered seriously enough and as such a real danger lay in the ''self-deluding'' atmosphere of ASEAN consultations. More importantly, perhaps, these differences in perceptions indicated different ideas about the nature of the security challenges confronting ASEAN in spite of a shared notion that such challenges existed.

Moreover, although security issues were clearly uppermost in the minds of these decision-makers, they claimed to eschew any discussion of multilateral defence co-operation and other defence matters in ASEAN deliberations.

As has been stated, the national interest of each ASEAN country was usually couched in terms of how other member-states were perceived. In terms of solidarity, then, the perceptions of each member state's role can be regarded as critical. Such an issue did not mean that any of the member-states might be a military threat to the other, but it was clear that a notion of predominance by any one state was important. Thus, it was perceived that perhaps ''Singapore feared the domination of Indonesia'' or that ''Singapore would benefit the most from a system of free trade within ASEAN''. To this might also be added perceptions that ''Malaysia and Singapore seemed to be dragging their feet on matters affecting the ASEAN Secretariat'' and that perhaps there was ''collaboration between Malaysia and Indonesia''. Yet, it was readily admitted that these were only perceptions that perhaps ''could be discussed more openly'' at meetings. Instead of the ''back-patting'' and politeness seen at meetings, perhaps ASEAN solidarity might be better served if ''opposite points of view were not suppressed''. If such candid views and open discussions took place, it was believed that greater rapport could be achieved in ASEAN.

There was indeed a notion that whatever ASEAN's imperfections, regional

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security made solidarity within the Association imperative. From this angle, the views of the Philippines are probably instructive: ASEAN regionalism had much to do with regional peace and security, even if ASEAN is not a military pact. The role of Vietnam, in terms of whether it was acting in the interests of the Soviet Union and its invasion of Kampuchea, was seen as a primary security issue challenging ASEAN solidarity. It was recognized that there were differing views on the nature of this threat but that these were inevitable. There was a common view that the best means of defence was not through military strength but through intra-ASEAN economic co-operation and "confidence-building".

On the other hand, it may be observed from the interview data that the problems of ASEAN are more political than economic, indicating a shared view of the primacy of politics for what is essentially an attempt at regional economic co-operation. There was, indeed, a feeling among the "technical" ASEAN decision-makers that the problems of economic co-operation were of a political nature — the question was asked: at what cost to a country's national interest was economic co-operation being pursued. The answer of some of the primary decision-makers was that a more united ASEAN would be a form of insurance for the economic survival of its member-states.

Agreement by the respondents on the above dimensions can be considered as a critical part of a commonality of beliefs amongst ASEAN decision-makers. At the same time, however, it is obvious that there were reservations concerning the adequate achievement of ASEAN solidarity. But, it is important to note in this mixture of both favourable views and reservations that such views on regional solidarity are evaluated in terms of each respective national interest. On this note, we now turn to another strand of the "ASEAN belief-system".

ASEAN Consensus

Working together in ASEAN means not only that aims are commonly agreed upon, but also that there is a "harmonisation" of different national interests; that is, the ability to work together requires consensus. If this consensus exists in the minds of its decision-makers, then a common value system undergirds ASEAN regional co-operation. It was recognized by the respondents that significant political and cultural differences in the member states served as impediments to ASEAN regionalism. Consensus, then, would mean having to find commonalities.

It was observed by the respondents that consensus is an important working principle in ASEAN: "there is no voting in ASEAN" — if not all the parties agree, then no decision is taken on a particular problem. This view confirms the earlier observation that considerations of national interest form an important thread in the workings of ASEAN.

Out of the need to arrive at a consensus, it was reported that an "ASEAN consciousness" had developed in which: (a) the national interest of each member state was a critical element but that there was "latitude" in terms of how far such interests would be pushed, and (b) that problems could be resolved over time,

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"however long". The view was propounded that an "attitude exists of not wanting to hurt each other's feelings". It was surmised that this process meant that "no member state would fully get what it wanted". Two methods of achieving consensus have evolved in ASEAN's deliberations. Firstly, there is the "lowest common denominator" arrangement: a decision could be made on the basis that the country that would benefit least from a proposed measure could indicate its preference as to the nature of the group's decision. The second method may be called the "consensus of five-minus-one", whereby decisions can be made if four of the five members agreed to a proposal. This second method, said to be a Singaporean brain-child, had been important in resolving the question of the five ASEAN industrial projects. When originally proposed by Singapore's Prime Minister, Lee Kuan Yew, this method meant specifically that ASEAN member states could proceed on a project without Singapore's participation.

It is important to note that the view was put forth that consensus was closely connected with the role of the ASEAN political leadership. Thus, one respondent claimed that "no serious intra-ASEAN problems would exist if political leaders lived up to their role as statesmen". This might mean that although the notion of consensus is an important element in the thinking of ASEAN decision-makers, it is also recognized that it is much harder to achieve in the day-to-day deliberations of the organization.

The Primacy of ASEAN

The third and final strand of ASEAN decision-makers' belief-system concerns what may be called "the primacy of ASEAN". It is essential to ask if ASEAN's decision-makers are committed to the concept of ASEAN as opposed to other forms of international co-operation. As opposed to the other two strands already discussed, our discussion here revolves around the perceptions of decision-makers of actors outside ASEAN and of proposals for "greater-than-ASEAN" regionalism.

It is not clear if the primacy of ASEAN precludes any discussion of matters external to its role as a regional organization. When asked if concepts such as the "Pacific Basin community" had been evaluated, one source exclaimed wonderment and admitted he was "not aware it was on the agenda for discussion".[31] Others, however, were more cognizant of such matters and their implications for ASEAN. Indeed, some respondents feared that other regional arrangements could be more attractive. Singapore was cited as a country that could well join other such bodies since "it has no resources" and therefore "had nothing to lose" by doing so.

On the whole, there appears to be a prevailing view that ASEAN merited primary attention and that, "being here to stay", the Association "had a lot more going for it". This did not mean that ASEAN was not receptive to other ideas on regionalism, but there was a feeling that ideas on such matters had not been "sufficiently exchanged". It was generally conceded that differences in viewpoints

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were expected, since each country had its own specific national interests.

If ASEAN was considered instrumental in achieving satisfactory status for dealing with outside parties, there were also expressions of dissatisfaction. Group unity was successfully fostered by ASEAN, but the results of dialogues with third countries had been less successful. These third countries, instead of wanting to facilitate trading relations, were more interested in giving aid. A common view emerged among the respondents that some form of restructuring of the global economic order, where ASEAN's interests would be better "safeguarded", was in order. That its dialogue partners seemed less enthusiastic about this led to a common feeling among the respondents that these third countries only appeared benign and are, in fact, "foot-dragging".

But a few reservations were expressed that perhaps indicated the fragility of the feeling of the "primacy of ASEAN". Whilst joint approaches had been possible, the ASEAN countries were considered basically as "competitors amongst themselves". Progress had been achieved in alleviating certain economic problems, but it was felt that at times dialogues with third countries would be better conducted by *individual* ASEAN countries.

Although it was possible to solicit views on ASEAN's relations with third countries, virtually no information could be obtained on other topics of political and economic significance. Thus, for example, no information was available on the implications of the "North-South dialogue" for ASEAN. This may indicate, however, that ASEAN business is rather specific and that preoccupations with more salient regional issues do not allow such viewpoints to materialize.

Concluding Remarks

Working together has apparently promoted a high sense of affect for ASEAN as a regional grouping — in terms of achieving solidarity, attaining consensus and heightening its primacy — among its decision-makers. A belief system composed of these three principal elements may be construed as an "ASEAN state of mind" that resides in not only the leaders of its five member-states but also in the officials who run the day-to-day affairs of the organization. Differences in perception do exist, but there is a striking belief in the desirability and reality of ASEAN. Such a state of mind may also exist among other decision-makers in the ASEAN countries studied here, but it is more likely that such an affinity only develops when officials are exposed to the workings of the organization.

It is very clear that ASEAN decision-makers in aggregate harbour certain predispositions which cumulatively may be called their subjective world. But do such predispositions act as a basis for these decision-makers' behaviour and interaction in ASEAN negotiations? The existence of a commitment to ASEAN as a regional association is not doubted, but beneath a sense of optimism there is clearly a realization of the subjective and objective difficulties confronting efforts to promote economic co-operation.

A major problem in ASEAN co-operation may be the perceptions that arise

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when efforts at negotiation reach an impasse, leading to feelings that the *other* member-states are to blame. The problem with each ASEAN decision-maker, then, may be that each is a national of his or her own country and therefore cannot avoid acting as such, although there was, paradoxically, a simultaneous feeling on the part of the individual concerned that ASEAN co-operation should be pursued as far as possible.

Nonetheless, the respondents in this study indicate that ASEAN is a "good" thing. This is not to suggest that there are no national perceptions of ASEAN — these are, after all, individual views of Filipino, Singaporean and Malaysian nationals. Over the years, with so many ASEAN committee meetings, discussions and so on, ASEAN decision-makers have begun to become familiar with each other, but the *ASEAN national* is still a far cry from reality. This does not mean that an ASEAN spirit is not in existence but that each ASEAN decision-maker still acts as a representative of his or her own country. Whilst an "ASEAN state of mind" may be recognized, national aspirations, fears and interests still pervade the ASEAN decision-making process within and among individuals.

NOTES AND REFERENCES

* This paper was originally prepared for the ASEAN Economic Research Unit Project, "An Inquiry into the Political Factors in Regional Integration: A Study of ASEAN". As the research was conducted prior to the inclusion of Brunei in ASEAN in 1984, interview citations refer to the original five member states of ASEAN.

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2. Ibid.
3. See, for example, Frank Frost, "The Origins and Evolution of ASEAN", *World Review* 19, no. 3 (August 1980): 5–16; and Amado Castro, "ASEAN Economic Cooperation", in *ASEAN in a Changing Pacific and World Economy*, edited by R. Garnaut (Canberra: Australian National University Press, 1980), pp. 53–66.
4. Michael Leifer, "The Paradox of ASEAN", *Round Table* No. 271 (July 1978), p. 267.
5. Frost, op. cit., p. 10.
6. Castro, op. cit., pp. 57–58.
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8. See the excellent discussions in R. Garnaut, op. cit., especially the chapters by English, Bautista, Anwar, Chia Siow Yue, M. Ariff and Narongchai. See also M. Pangetsu, "The ASEAN Economies: A Comparative Assessment of the Pattern of Trade and Direct Foreign Investment and Implications for Economic Cooperation", *World Review* 19, no. 3 (August 1980): 17–33.
9. Investigations into the feelings of schoolchildren regarding ASEAN, using a measurement of attitudinal social distance have been attempted. See Llewellyn D. Howell, "The International Political Attitudes of Malaysians, 1971–1981", *Papers in Asian Studies* (Washington, D.C.: The American University), Vol. 3, No. 5 (Spring 1982); "Political Affect and State Behaviour: Attitudes as Predictors of Foreign Policy Activity in Southeast Asia", *Korean Journal of Inter-*

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10. G. Almond and G.B. Powell, *Comparative Politics: A Developmental Approach* (Boston: Little, Brown, 1966), pp. 23–24.
11. For an early study of positive élite attitudes toward co-operation, see Estrella Solidum, "The Nature of Cooperation Among the ASEAN States as Perceived through Elite Attitudes — A Factor for Regionalism" (PhD. thesis, University of Kentucky, 1970); and the book based on this thesis, *Towards a Southeast Asian Community* (Quezon City: University of the Philippines Press, 1974).
12. For an elaboration of the "terms of reference" of PTAs, see Jun Nishikawa, *ASEAN and the United Nations System* (New York: UNITAR, 1983), p. 9.
13. Hereafter, unless otherwise noted, quotations are phrases or statements made by the respondents interviewed for this study.
14. Conceivably, it would have been useful to study also the beliefs and attitudes of officials in the ASEAN Central Secretariat in Jakarta. However, such a study may not be very useful as this Secretariat is merely a co-ordinating body and ASEAN work at the committee level is usually conducted by the various officials of the member states. Nevertheless, at least one former ASEAN Secretariat official was interviewed for this study.
15. A discussion of methodological caveats is in order here. The statements generated in this paper are based on extrapolation of the data gained from in-depth interviews with a very select sample of the ASEAN bureaucratic élite. The respondents were "senior" officials and they were mostly heads of divisions or those with responsibility for specific ASEAN matters. It should also be noted that they were civilian bureaucrats. By design and by request, the identities of the respondents have to remain anonymous. The interviews were conducted in 1981 and 1982 in the respective capital cities of the three ASEAN countries used as the base for this study. Each interview session lasted from half an hour to an hour and a half; a few respondents were interviewed more than once. The respondents were generally quite co-operative, although in a few cases an "official veil" descended on the interview session. It also appeared that each interview was clouded by the context of the contemporary national scene: for example, the researcher was told by some informants that his interviews in Manila were being made at a "bad time" since it was then the eve of an ASEAN ministerial meeting and the "official mood" was therefore openly pro-ASEAN. No tape recording was made — the interview data was entirely made from notes jotted down at each session. Personal knowledge of some of the respondents and the researcher's previous stint with the Malaysian Ministry of Foreign Affairs were assets, as was the researcher's visit to the EEC countries in 1981 as part of a ten-man "ASEAN Opinion Multiplier" delegation. Methodologically, then, it is a highly interpretive, qualitative, content analysis.
16. Nishikawa, op. cit., p. 14.
17. Ibid.
18. *New Straits Times*, 23 December 1982.
19. Nishikawa, op. cit., pp. 12–14.
20. Richard Kessler, " 'Development Diplomacy': The Role of the MFA in the Philippines", *Philippine Journal of Public Administration* 24, no. 1 (January 1980): 26–46.
21. On inter-agency relations, see ibid.
22. The analysis by Nishikawa, op. cit., pp. 12–13, does not clarify this issue. His chart of the organizational structure of ASEAN on p. 13 equates the standing of the two groups of ministers, and his statements that "the highest policy-making body of ASEAN is the Meeting of Foreign Ministers" and that "the meeting of ASEAN Economic Ministers is a supreme decision-making body in the field of economic cooperation", on p. 12, are contradictory.
23. M.J. Esman, *Administration and Development in Malaysia* (Ithaca: Cornell University Press, 1972).

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24. Kessler, op. cit., p. 32.
25. Both these organizations are private or non-governmental ASEAN bodies. However, their activities are closely monitored by the respective ASEAN governments.
26. R.S. Milne, "Technocrats and Politics in the ASEAN Countries", *Pacific Affairs* 55, no. 3 (Fall 1982): 409, citing Jose Abueva, "Ideology and Practice in the New Society", in *Marcos and Martial Law in the Philippines*, edited by David Rosenberg (Ithaca: Cornell University Press, 1979), p. 40, and R. Stauffer, "Philippine Authoritarianism: Framework for Peripheral Development", mimeo. (University of Hawaii, 1976), p. 8. For other notions of "technocrats", see the articles by Lande, Hooley, MacDougall, Stifel and Pauker in *Asian Survey* 16, no. 2 (December 1976); and Chan Heng Chee, "The Role of Parliamentary Politicians in Singapore", *Legislative Studies Quarterly*, no. 1 (August 1976).
27. For an exposition of this construct, see Graham T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, 1971).
28. Guy Pauker, "ASEAN Trends and Problems in the 1980s" (Paper presented at the Conference on Political, Economic and Security Trends and Problems in East Asia, Williamsburg, Virginia, 5-9 January 1981), p. 1.
29. See for example, Jusuf Wanandi, "International Security and the Southeast Asian Region" (Paper presented to the Conference on Asian Perspectives on International Security, Australian National University, Canberra, 11-14 April 1983).
30. These were the 1967 Bangkok Declaration, the Declaration of ASEAN Concord, and the Treaty of Amity and Co-operation.
31. ASEAN's role in Pacific basin development was recognized in 1984. For details, see Zakaria Haji Ahmad, "ASEAN and Pan-Pacific Cooperation: The Long Way Ahead", *Asia Pacific Community*, no. 30 (Fall, 1985): 13-29.

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Indonesian Development Policy and Community Organization in Bali*

CAROL WARREN

Introduction

Given the still predominantly rural character of Southeast Asia's population and the serious problems of equity experienced in the distribution of new wealth generated by economic growth, considerably more attention is due the organizational role of the village in the development process. The relative dearth of such studies was noted by Poffenberger and Zurbuchen (1980) in a contribution analysing income patterns in the agricultural, marketing and ceremonial spheres of the Balinese village economy. This paper considers different aspects of village development — the institutional features of Balinese community organization which play a significant role in the Balinese response to Indonesian development programmes and the complementarities and contradictions between village-level needs and national development strategies.

The Balinese case is particularly interesting because radical socio-economic changes are being rapidly accommodated in a society which is at the same time culturally conservative. Geertz has described in detail the composite nature of village structure in Bali, where kinship, agriculture and civic affairs are organized in intersecting but separate spheres of a corporate nature. These *banjar* (hamlets), *subak* (irrigation associations), *seka* (work groups), *pemaksan* (temple worship groups), and *dadia* (patrilineal descent groups) recruit members according to different principles of affiliation and are adjusted to one another "only insofar as seems essential" (1959, p. 991).

The most important of these corporate institutions from the point of view of social organization, and the primary focus of this study, is the *banjar* or hamlet. The *banjar* is a ritual and social community ordinarily comprising some 50 to 150 households. Direct involvement of the *banjar* in the productive sphere is circumscribed by its separation from the organization of agriculture. Agricultural activity is traditionally carried out through the *subak* (irrigation societies) and various *seka* (associations for havesting, etc.) which are structurally similar to, but more specialized than the *banjar* (Birkelbach 1973).[1] *Banjar* nevertheless have an increasingly important role in providing for "collective consumption".[2] Apart from traditional responsibilities for the spiritual and physical protection of its members, and the building and maintenance of community facilities (meeting-house, market, access paths) through collective self-help, *banjar* often take on projects to serve specific economic or social needs of the community. Performing

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groups, credit societies, a public movie theatre and a co-operative general store are among the projects different *banjar* in Desa Tarian have established to raise funds or provide for self-defined community needs. They frequently organize sporting and other social activities; and since the extension of electricity in 1978, many *banjar* have purchased televisions, a commonly privatized form of entertainment which in these hamlets has become a public amenity.

Commonly, several *banjar* are grouped together in a *desa adat* (customary village), and collectively share the support of the three main village temples central to the Balinese Hindu religion. *Desa* retained a substantial degree of autonomy under the Balinese kingdoms as expressed in indigenous proverbs referring to village customary law (*adat*): *Desa Mawa Cara*, literally, "the village carries custom"; *Desa Kala Patra*, referring to the variability of customary law, according to "village, time and circumstance". But although the *desa* are the formal repositories of *adat* (customary law and ritual), in the densely populated areas of South Bali it is the component *banjar* which effectively implement village *adat* and which organize much of community life.[3]

Dutch colonial authorities attempted to restructure administration in the early part of the twentieth century by separating the customary village units (*desa* and *banjar adat*) from their administrative counterparts (*desa* and *banjar dinas*) which were rationalized on a demographic and territorial basis. The divorce of customary and administrative institutions was more thoroughgoing at *desa* level. Today, the boundaries of the traditional *desa adat* rarely coincide with the administrative village. This is less the case at *banjar* level where in practice *adat* and *dinas* boundaries and functions remain co-ordinate.[4] In some areas, a single *banjar* headman carries out both functions. But where *banjar* leadership is divided between two headmen — *klian adat* (customary head) and *klian dinas* (official head) — their activities are closely interdependent. In many instances, it is simply not possible to divorce "customary" from "civil" law and administration. Marriage and inheritance, for example, are matters involving both domains, and customary and official matters are dealt with at monthly *banjar* assembly meetings.

Radically restructured and rationalized during the colonial period, the *desa* is today the local administrative structure through which national (Indonesian government) policy is filtered to the population. But it is the *banjar* which retains the greater importance as the focus of community participation and as the organizational base for village-level response to government development initiatives.[5]

The strength of the *banjar* as an institution in both traditional and modern Bali is tied up with the express Balinese notion that the *banjar* is a moral community in the very Durkheimian sense in which "moral" is equated with "social". Important reservations have been raised concerning the validity of the image of the Indonesian village as a closed corporate community (Breman 1982, and Elson 1986). Nevertheless, within its strictly delimited sphere of jurisdiction, the *banjar* exhibits elements of Wolf's (1957) corporate structural type. Much of

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the intricate regulation in *banjar* customary law codes (*awig-awig*) is geared towards establishing the primacy of corporate community solidarity over individual interest and some degree of social and economic "levelling" within the carefully delimited domain of hamlet relations.

Participation in *banjar* activities is compulsory. At marriage, each male head of the household automatically becomes a member of the *banjar* assembly (*krama banjar*). He is obliged to participate in monthly public meetings and to help carry out the customary ritual obligations of the *banjar* and any collective work the assembly may decide to initiate. *Banjar* organizational principles are predicated on the legal equality of all members, and distinctions on the basis of title or wealth are not formally recognized.[6] Nor does the elected headman (*klian*) have formal powers beyond his personal ability to conciliate and draw out consensus from the *banjar* assembly.

Adat remains the foundation of corporate social life in contemporary Bali. The rights of the *banjar* over residential land[7] and its role in the disposition of the dead are the bases of collective authority over individual members. Serious violations of *banjar* regulations or challenge to its hegemony can result in expulsion (at one time physical expulsion from one's household and exile) and corresponding loss of rights to burial and cremation within the village. Geertz's account (1983, pp. 175–81) of an incident which occurred during the period of this field-work in Bali in 1958 is a graphic example of the absolutism of *banjar* authority where it has jurisdiction. In consequence of one *banjar* member's repeated refusal to take his turn filling an obligatory public office, and despite the extraordinary intervention of powerful regional government authorities on his behalf, the villager was expelled from his household.

Expulsion from house-land is rare in the post-revolutionary period, but *banjar* responsibility for burial and cremation is still a jealously guarded prerogative. There are recent cases in which families who had broken ties with their *banjar* were denied burial rights until restitution was accomplished.[8] Death ceremonies may become the occasion for less official, but nevertheless humiliating, forms of retribution for perceived lack of public spirit on the part of the deceased or his/her family. *Banjar* members have responsibility for preparing and transporting the remains of the deceased for burial or cremation. These obligations provide the opportunity for disruptive incidents ranging from refusal to carry out ceremonial preparations to destruction of the sarcophagus en route to the cemetery. Rare as such vengeful public expressions may be, they are the subject of frequently told cautionary accounts of the importance of fulfilling civic responsibilities.

Apart from the heavy sanctions associated with residence and death ceremonies, small-scale penalties exist in the form of fines levied for such infractions as failure to attend *banjar* meetings or to participate in collective work (*gotong royong*) decided upon by the council. Routine fines are small (5–25 rupiah, equivalent to a few cents), and are primarily a reminder of the shame (*lek*) one ought to feel in the face of one's peers. Interestingly, the Balinese term for fine, *dosa*, also translates as moral transgression. Clearly, religious and civic

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responsibility are integrally related values in Balinese society.[9] With good reason the Balinese say that to live outside the *banjar* is death.

The Banjar and Community Development

Obviously, so vigorous a medium of social organization and control offers significant advantages to a national government in the implementation of its policies. Local security measures as well as community projects in Bali (family planning, nutrition, credit and training schemes as well as handicraft and animal husbandry projects) depend on *banjar* agency for organization and implementation.

A striking example of the utilization of the *banjar* for the promotion of national development policies has been its role in the Indonesian family planning programme. "*Sistim Banjar*" was introduced in the mid-1970s after earlier efforts at increasing the use of contraceptive practices through a broad network of local clinics reached a plateau. Family planning authorities decided that the *banjar* was best placed to further the programme because of its traditional influence and organizational strength (BKKBN 1977, p. 24). *Banjar* headmen were sent to training seminars and liaised with local family planning field workers to provide information and contraceptives. They were made responsible for registering eligible couples, compiling quarterly statistics on current contraceptive use and motivating acceptance by new couples.

At *banjar* meetings, members were exhorted to contribute to the nation's development and their own family well-being by adopting appropriate methods of birth control. The *banjar* meeting-house exhibits a family planning map with variously coloured symbols indicating the contraceptive history and current method in use for each household, so that the family planning status of all members is public knowledge. Indeed "KB", the Indonesian acronym for family planning (*Keluarga Berancana*), has become a popular topic of conversation in Bali and family compounds are decorated with posters urging contraceptive use.

Sistim Banjar has been remarkably successful. Census figures for the period between 1968 and 1980 show a decline in fertility rate in Bali from 5.96 to 3.50 (Hull and Hull 1984, p. 97). Streatfield's data on three villages located in the conservative Klungkung region of Bali, while suggesting official statistics may be inflated, nevertheless indicate an impressive contraceptive use rate of 49 per cent for the study villages. To a substantial degree, this success can be attributed to the role of the *banjar*. Streatfield found variations in current use rates (ranging from 30.4 per cent to 60.7 per cent) among the twelve *banjar* in his survey villages, which he interprets as reflecting differences in the interest or ability of the *banjar* assemblies and/or headmen to motivate *banjar* members (1982, pp. 302, 429; see also Poffenberger 1983, p. 54).

The leadership role of the *klian* (headman) undoubtedly has been important in the success of *Sistim Banjar*. Pressure was certainly placed on headmen to reach

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target figures for new recruits. Official letters from the Governor of Bali in 1976 and 1977 instructed *klian* to sign up five new acceptors from each of their respective *banjar* to mark the anniversary of the programme (BKKBN 1977, pp. 28–30). However, Streatfield notes that reports of compulsion among villagers surveyed were rare. In the course of my research, I heard occasional complaints about the reliability of clinic services but none suggesting that *banjar* members considered themselves under excessive pressure to join the programme. Moral influence and personal persuasion are ordinarily the *banjar* headman's only "powers" in his relations with *banjar* members. One *klian* described his own approach as follows:

> I try to encourage families that have not yet become involved to take up "K.B". Especially if a family has already got three children, I feel it's important to persuade them to consider the long-term consequences. They have to think of the future of their children and the economy. I ask them what happens when their children are in school all at once? How will they pay their fees and what will be the cost of feeding them? Usually I go directly to the home. . . . In some cases I've gone as many as three times before being able to convince a family. In this *banjar* about 40 [of 50 eligible couples] are acceptors. (Personal communication 1983.)

Streatfield's assessment of the relative importance of different factors in the success of *Sistim Banjar* places greatest emphasis on the influence of the collectively determined attitude of the *banjar* assembly itself. Consciousness of the limits on land availability and local employment opportunities and the expense of education for their children, along with the public conformism characteristic of *banjar* life appear to have most significantly affected the decision of individual families to join the programme (1982, pp. 432–37). There is a revealing difference in Balinese attitudes towards institutional channels for exertion of social pressure, as opposed to advice-giving in the private capacity of relative or neighbour. The great majority of Streatfield's respondents indicated that they would not attempt to personally influence a couple who already had five or six children to adopt family planning, whereas group guidance through formal *banjar* channels was not generally perceived as intrusive (1982, pp. 350–55). Hull similarly concluded, "The strength of the system was the strong service orientation it derived from the group solidarity of the culture" (1978, p. 7).

The family planning programme certainly took full advantage of the social influence the *banjar* was capable of exerting on its members and the highly corporate orientation of Balinese community life.But beyond statistical success, the open and enthusiastic acceptance of the value of family planning — a very recent phenomenon — supports a conclusion that the diffused process of popular consensus building from the *banjar* level up was at least as important as administrative strategy in the implementation of this national development objective.

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If the *banjar* finds itself a tool in the service of the national government's development strategy, it is also true that it provides the organizational basis for the promotion of collective interests which may not necessarily coincide with bureaucratic determinations. A particularly interesting local incident occurred in 1983 in relation to another government project. Because it reflects the importance of *banjar* organization in the assertion of popular interests and the corporate values which ideally underpin hamlet activity, I will describe it in some detail.

> The Desa concerned was informed that it was next in line for "*ABRI Masuk Desa*" (the military come to the village), a program meant to lift the image of the military by involving them in community development work. The *desa* would have the labour of a military unit for a period of fourteen days and receive one quarter of the costs of materials needed for the project, with villagers providing the remaining three-quarters of costs and communal labour on a rotational basis. The *desa* council (LKMD), composed of the *desa* head, all *banjar* heads and prominent villagers, decided to use this opportunity to rebuild the walls of one of the temples in the south of the village and to extend the public fresh water facility which had been initiated in the previous year under the auspices of the Public Works Department. Only Banjar Kaja in the north of the *desa* had received a public water facility under the limited funds allocated for the piped water project in 1982. Under the 1983 ABRI project, the Public Works Department was prepared to allow the addition of only three new storage tanks on grounds that limited pumping capacity at the water source precluded the addition of further facilities. It determined the location of the new tanks to the east and south of the original facility in Banjar Kaja, bypassing the northern-most Banjar Songan because of the small size of its membership and its relative proximity to the already established tank in Banjar Kaja.
>
> At their *banjar* assembly meeting, Songan members expressed anger at the decision. Being one of the poorest of the ten *banjar* in the *desa* and at the highest altitude, there were no private wells and access to fresh water streams was considerably more difficult than for *banjar* further to the south. For those at the very north of that *banjar*, the distance to the tank at Banjar Kaja along the main thoroughfare was simply too great. They insisted that the matter be reconsidered at the forthcoming open village meeting when representatives of the regional government and military would be present.
>
> That meeting held at a neighbouring *banjar* meeting-house was evidently intended only as a public relations exercise. The Regional Government representative from Kabupaten Gianyar began his speech by naming the new Indonesian ministry recently chosen to carry out Repelita IV and outlining the progress of family planning, village electrification and irrigation projects in the area. Then a military officer discussed ABRI's participation in the current project as a means of expressing gratitude to the people.
>
> When the meeting was finally opened to public comment, the *klian* from Songan pressed his *banjar*'s case. A young and modest farmer who had been elected to office only the year before, he was obviously not comfortable with

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this audience composed of so many officials and villagers from outside his hamlet. But he spoke at length and with insistence: "The people in Songan were bypassed when the first fresh water facility was extended last year. The new project excludes us again. We are expected to let the pipe pass through our *banjar* without benefiting from it." In an irrefutable appeal to the national ethic, Pancasila,[10] he added "Under Pancasila, development must be equalized. If there is to be peace and solidarity in the community, all must be treated fairly."

At this point the army liaison officer replied that he had personally taken the complaints to the responsible officials in Gianyar but that until pumping capacity could be increased, regulations prohibited the addition of another tank at this point in time: "In the short term of course some benefit and some lose — but be patient. Eventually there will be enough to build tanks in every section of every *banjar*. We can't expect everything at once." Songan's *klian* replied that there was no concrete assurance of any further additions to the water system: "When could the honourable representative from Gianyar *guarantee* that Songan would have its turn?" The meeting was closed with appeals for calm and suggestions of further consultation that did not seem promising.

Within two weeks, however, Banjar Songan had almost completed the construction of its own water tank with ABRI assistance. When I expressed surprise that the issue had been resolved so quickly and despite bureaucratic regulations to the contrary, the *klian* of Songan said the *banjar* had been 'hot' and had to have its legitimate needs satisfied. Again referring to Pancasila principles, he emphasized that if the government wanted peace and order, it had to be concerned with evening out development and making sure that ordinary people were consulted.

The *banjar* had used the occasion of joint military-village communal work exercises (*gotong-royong*) to make its collective disaffection public. On the day Banjar Songan was rostered for labour service, the membership *en bloc* failed to turn up, sending its *klian* instead to invite military leaders involved in the project to a *banjar* meeting to hear their grievances. Through their passive resistance, the implicit threat of a more militant response (the possibility of sabotage of the pipe-line was rumoured) and the persistent representations of the *klian*, Banjar Songan obtained tacit, but unofficial, consent to have the pipe 'pass through' its tank.

Villagers' attitudes reflected in this case present an interesting complement to the divergent political constructions discussed by Bowen (1986) in his analysis of cultural representation and state intervention in rural Indonesia. He argues that state demands for unpaid *gotong-royong* labour services in the name of development have differing degrees of cultural and political legitimacy in Java and Aceh, resulting in very different responses ranging from grudging compliance to pragmatic reformulation. In the Songan example, the practical legitimacy of state ideological constructions of *Pancasila, gotong-royong, and pembangunan* depended on perceived reciprocity between state and village. Willingness to comply

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with state demands depended on the extent to which the criteria of the state's own rhetoric — collective well-being, equality, democracy, participation, and so on — were met in practice. In this instance, local corporate organization played a critical role in expressing and carrying out action oriented to self-defined community interests, and national ideology proved a double-edged sword in the "everyday" versus "official" negotiation of cultural politics.

Contradictions in Development Planning

There are basic contradictions between the Indonesian Government's express development objectives of capital-intensive modernization on the one hand and the provision of basic needs on the other (Poffenberger and Zurbuchen 1980; Booth and McCawley 1981; Hendrata 1983; Warren 1985). The latter has depended on small-scale projects implemented through traditional institutions and exchange relations, largely to ameliorate the maldistributive effects of the first. Certainly village-level institutions have been taken for granted as useful structures for carrying out government policy in the basic needs sphere — promoting perpetuation of values based on mutual obligation and self-sufficiency, mobilizing communal labour, and facilitating experimental health and welfare programmes. But indicative of their relatively low priority and awkward relation to the macro-development strategy is the patchwork nature of many of these social welfare projects, which are often poorly conceived and co-ordinated within the complex bureaucratic hierarchy. A pilot nutrition project introduced in two *banjar* in Desa Tarian (and involving a great deal of voluntary time and labour) was abandoned when the minimal Welfare Department funds for purchase of food for the monthly demonstrations disappeared somewhere in the bureaucratic pipeline. Initially enthusiastic about the benefits of tying the project to health workers' monthly check-ups for infants at the *banjar* meeting-house, *banjar* officials and volunteers were disillusioned at wasted time and energy. Repeated experiences like this inevitably diminish local responsiveness to these programmes.

Surprisingly, while several pilot projects involving low-interest government-backed loans have been channelled through *banjar* to individuals and groups, I know of no efforts to facilitate *banjar*-based initiatives for developing small industries to generate employment and community income. According to Bendesa and Sukarsa (1980, pp. 49–50), only 2 per cent of central government grant funds to regional and local government in Bali was allocated for (undefined) "productive" purposes, compared to 20 per cent nation-wide.

I do not want to over-estimate the possibilities for basing productive development strategies on village and hamlet initiatives. Differences in the level of activism among *banjar* even within the same *desa* are striking. The quality of leadership, community consciousness of membership and traditions of *banjar* activism are highly variable from one to another and within the same *banjar* over time. For good reasons, *banjar* are financially conservative. Still, it is not unusual for *banjar* to take on substantial debts (funds are commonly borrowed from better-off

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members without interest and for indefinite periods of time) to finance the construction of a meeting-house or purchase a *gamelan*, and there are many examples of successful small industries — restaurants and performing groups for tourists, co-operatives and public transport for local needs — operated by *banjar*. An extraordinary example of a successful development programme initiated at village level is provided by Desa Sanur. Beginning in 1967 with a 5-rupiah tax on locally reared pigs and the production of lime, and fuelled by the subsequent tourist boom in the area, Sanur developed a series of village-based industries, including a bank, restaurants, laundry, clothing and pig export companies. In 1981, these produced a net profit for the *desa* of 83 million rupiah (US$132,800) as well as provided direct employment for 300 villagers. Such ventures, however, can be subverted by macro-economic and political policies. New legislation reduces the right of self-management in villages designated as *kelurahan* (see the discussion of the 1979 Village Government Law below). The long-term consequences of the loss of control over fiscal matters and community leadership will ultimately have a crippling effect on local self-development efforts such as the remarkable Sanur initiative.

Given the diminishing size of the average family farmland holdings and the uneven effects of government development through the capitalization of agriculture and the promotion of mass tourism (Astika 1978; Daroesman 1973; Bendesa and Sukarsa 1980; Poffenberger and Zurbuchen 1980; McTaggart 1984) the role of community institutions in the provision of "collective consumption" needs and as an organizational base for asserting local development priorities should be of considerable importance. Serious attention must be given to the contradictory effects of national and local development objectives and to the distortions produced by concentrated development which by-passes local socio-economic structures.[11]

Community Organization and the Village Government Law of 1979

Parallel contradictions in the national government's approach toward "grass-roots" participation in decision-making and development are reflected in the progressive bureaucratization (*dinasizasi*) of village-level government. The 1979 Village Government Law[12] sets out to create uniform local administrative structures across Indonesia, with the stated objective of increasing the effectiveness of village administration and public participation in development policy.

The Law and subsequent ministerial decrees and regional implementing legislation contain some important provisions for upgrading village organization and administration, for example, by formalizing financial accountability, and ensuring the participation of women (which remains nominal, nevertheless). But the character of the new apparatus will certainly stifle the popular participation it purports to facilitate.

The Law will set in place a uniform, multi-tiered administrative hierarchy below provincial level across Indonesia:

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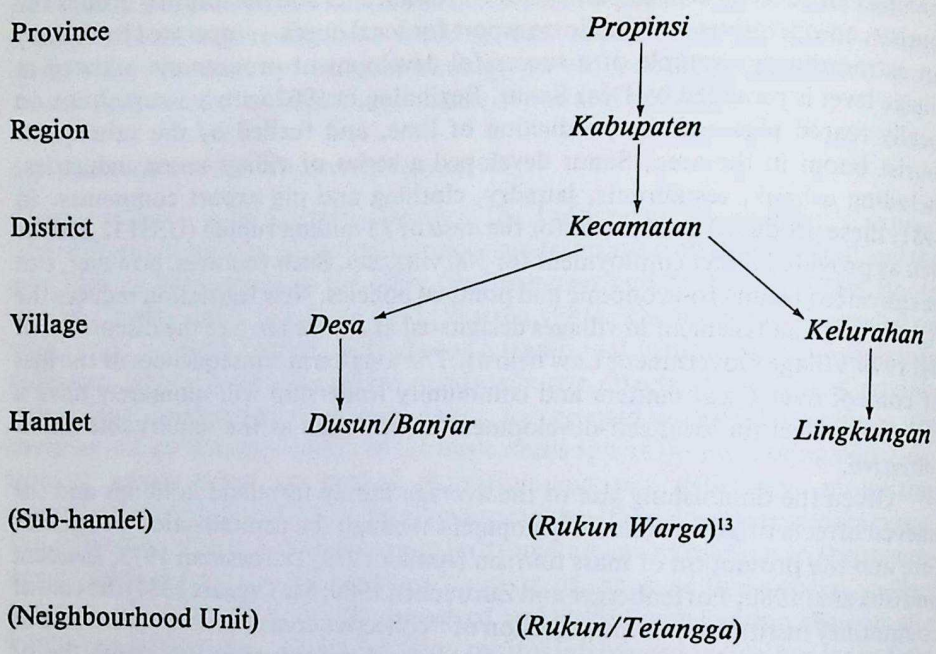
LOCAL GOVERNMENT ADMINISTRATIVE HIERARCHY UNDER UNDANG-UNDANG NO. 5, 1979



While ostensibly aimed at broadening the framework of local government and increasing its responsibility, the practical effect of the reorganization has been the reverse. Ministerial decrees[14] streamlining the composition of *desa* councils seriously affected the representative character of these local bodies. In Desa Tarian, the previous system of electing two representatives to the village council from each *banjar*, in addition to its *klian*, was disallowed and a smaller number of prominent persons were appointed to replace them.

More critical for Balinese community organization and particularly the role of the *banjar*, are those provisions of the legislation concerning the selection of local leadership. While tension has undoubtedly always existed between the *klian*'s responsibilities as an elected representative and administrative pressures imposed from supra-hamlet authorities, *banjar* traditionally had direct control over their leadership, choosing and replacing their *klian* at will. Under the 1979 Law in which administrative *banjar* became *dusun*, *klian dinas* (now *kepala dusun*) are for the first time to be appointed by outside authorities for indefinite terms of office. The appointee is to be chosen by the district chief (*camat* — a civil servant who generally does not come from the district he heads) from at least two nominees submitted by the *desa* head.

Furthermore, while the administrative heads of *desa* remain elected officials under the new law, this no longer applies when a *desa* is "upgraded" to *kelurahan* status. When this occurs all salaried officials at both hamlet (now called

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lingkungan) and village level become civil servants whose obligations are entirely to the administrative hierarchy. By definition of the legislation, *kelurahan*, unlike *desa*, no longer have the right to manage their own affairs[15] By 1985, of 594 villages in Bali, 79 had been converted to *kelurahan* status. Primary criteria for designation as *kelurahan* are the degree of relative modernization of a village and its centrality to the administrative hierarchy. Balinese regional and provincial officials responsible for implementing the legislation, expressed the expectation that eventually *kelurahan* will become the predominant form of village organization in Indonesia. The establishment of a separate bureau (*Biro Bina Pemerintahan Desa*) at provincial level, specifically to oversee the implementation of the Local Government Law, indicates the long-term importance attached to it.

Village competitions (*Lomba Desa*) have been the main vehicle for introducing the first stages of restructuring, but the full impact of the 1979 Law has not yet been felt in Bali. Implementation of the legislation has been slow, primarily because of the cost of increasing the number of civil servants on the payroll. (Throughout Indonesia, *kepala lingkungan* have not yet been officially instated to the civil service because there is to date no budgetary increase to cover their salaries.) But the government is also treading softly because of the recognized sensitivity of the Law's provisions regarding village leadership. In practice, the most radical changes have been muted by applying discretion (*kebijaksanaan*) in implementation procedures. In most cases, where *desa* have become *kelurahan*, the status of *lurah* or *kepala lingkungan* was simply conferred upon incumbent elected officials.

With respect to the appointment of *kepala dusun* (formerly *klian dinas*), *desa* heads are advised by provincial authorities in Bali to consult the *klian* before nominating the requisite minimum two candidates to the *camat* for "screening" and appointment. Effectively, the traditional election procedures continue with the *banjar*-chosen candidate and one of his assistants nominated in order of priority. The head of the Bureau of Local Government, established under the Governor's office in Bali to implement the new law, explained that this informal modification was necessary since "There is no doubt that a *banjar* official appointed without the support of the membership would be completely useless" (Personal communication, 1984). Nevertheless, a number of officials admitted that there have been instances where the *camat* had rejected *banjar*-elected candidates and insisted on appointments in accord with their personal criteria of suitability. According to one *camat* interviewed, above and beyond the officially prescribed test of the candidates' knowledge of national programmes and philosophy — *Pancasila*, *Undang-Undang Dasar* 1945, The Guidelines for State Policy 1983 (GBHN), etc. — his own selection criteria included the requirement that the candidate not have a deformity or appear nervous during the screening. The legislation also stipulates lower secondary education (SMP) as a minimum qualification for appointment. Many *banjar* headmen have only primary schooling. Although the clause "or equivalent experience" in the law provides sufficient flexibility, the emphasis on formal qualifications will certainly influence

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the nomination process and provide a convenient rationale for the rejection of some nominees.

Even where informal discretionary concessions to customary practice continue to prevail, *banjar* feel constrained to take account of official policy which stresses formal qualifications of age, education and political sympathies. Ideal notions of *banjar* leadership place much greater emphasis on personal qualities such as honesty and disposition to public service. *Banjar* will no longer be at liberty to replace unsatisfactory leadership at will, as the following case illustrates. Controversy erupted in one *banjar* when its headman allocated a pump granted by the government to a relative by marriage without consulting his constituency. During the two weeks leading up to the monthly *banjar* meeting, concerned members met informally, and there was widespread criticism in *banjar* and wider *desa* circles. The *banjar* assembly debated for five hours whether they ought to dismiss him, but were persuaded (largely by the arguments of a civil servant among the membership) that control over the position was no longer technically in their hands and that a request for dismissal to district level was unlikely to be well received since his appointment had been made official only a few months before. Although two *banjar* assistants (*petajo*) resigned in protest, the headman was in the end only reprimanded by the *banjar* meeting. Interestingly, in his defence, the offending *klian* argued that in administering such grants he had believed he was responsible to the government department concerned and therefore not obliged to consult his membership.

The case points up the likely consequences of thoroughgoing co-option of the *banjar* leadership by appointment to the bureaucracy in eroding popular support and subverting leadership responsibilities within the community. The conversion of *desa* to *kelurahan*, and therefore of village and hamlet leaders to civil servants, is all the more serious. The substitution of appointment for election, the potential for placement of non-local recruits as village or hamlet heads, and the security of tenure of civil service positions will leave no place for direct popular control over village leaders. In clear contrast to the widespread corruption pervading other levels of the bureaucracy,[16] misappropriation by the local leadership has been limited by informal information networks and direct electoral control.[17]

A particularly pointed formulation of leadership principles from a Balinese point of view is expressed in the following document which turned up in the regional government files on local disputes. The 1977 letter from two obviously well-educated *banjar* members objected to the failure of their *klian* to call an extraordinary *banjar* meeting on request. Unusual in its written form and elegant phrasing, it nonetheless reflects popularly held notions of leadership, influenced by both traditional practice and contemporary national ideology:

> . . . So what is the relationship of yourself as leader, as *klian*, toward the *banjar* membership? . . . The answer to this question is that . . . this is a relation characterized by coordination, not subordination. As *klian*, brother, your

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position is not to be equated with a military officers' (*panglima ABRI*) relation to his soldiers. A *banjar* leader is only a conduit (*sekedar alat*), a medium of conciliation.

Are you *klian* because you possess high educational qualifications or because you were *appointed by the government*? [emphasis added.] Isn't it rather the case that the source of your leadership is the decision of the *banjar* assembly (*pesangkepan*)? That means the highest authority lies *not* with the position of *klian*, but rather the collective decision of the *banjar* assembly itself. The position of *klian* holds no authority to accept or reject out of hand any proposal from a *banjar* member.

Have you left behind the fundamental principle contained in *Pancasila* that decisions are based on collective deliberation and consensus? Perhaps this *klian banjar* . . . has forgotten his point of origin, the *banjar* assembly, like a kite that has broken from its string. . . .

Written several years before the introduction of the 1979 Law we are considering here, the letter explicitly contrasts the implications of authority grounded in a hierarchical administrative order with those founded on principles of popular selection and responsibility to the local community.

Conclusion

It is inevitable that the co-option of village officials to positions now primarily administrative rather than representative, will inhibit the two-way process of communication necessary for effective rural development. Prijono and Prijono (1983, pp. 46–53) found that the degree to which village leaders in Java (*lurah*) are oriented to supra-village authorities, directly affects popular participation in village-level decision-making. The more closely tied to outside administrative authorities, the more the *lurah* was inclined to ignore public opinion and avoid taking matters of importance to village meetings for deliberation. Despite paying lip-service to the importance of encouraging self-help and participation expressed in the Guidelines for State Policy of 1983 (GBHN), however, central government policies continue to reflect a paternalistic and condescending attitude toward village-level leadership typical of urban élites. A Department of Home Affairs paper on rural development in Indonesia (1981) lists among the problems it perceives facing the government programme:

> . . . the scarcity of dynamic, creative and fair leadership, inefficient coordination of development, low level quality and quantity of village administrative machinery, lack of capability to plan, weak implementation . . . (1981, p. 65).

Regionalization of local development planning in the form of a *kecamatan*-based management system "to maintain the concept of unity of command" (1981, p. 68) is indicative of the limits of decentralization and participation actually envisaged.

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Contrary to bureaucratic perceptions of rural backwardness and lack of organizational capacity, in my observation of village-level implementation of government development projects, administration of funds was highly efficient with little or none of the "leakage" that has become customary at upper levels of the bureaucracy. By making its own contracting arrangements and sharing supervision among *banjar* and *desa* leaders, INPRES (Presidential Grant) school projects in Desa Tarian were built to higher specifications than those stipulated by project authorities. Savings effected by self-contracting in 1984 enabled the *desa* to build a village co-operative in addition to the four teachers' cottages covered by the grant. In 1986, the same procedures saved 2.5 million rupiah of a 15 million rupiah INPRES school building and renovation grant, which was then put towards further development of the village co-operative.

Village leaders I spoke to in many parts of Bali complained that where regional government departments insisted on administering purchase and delivery of project materials rather than permitting village-level administration, they incurred at least a 20 per cent loss in value of projects. Similar criticism is reported in the *Jakarta Post* (11 January 1985, cited in McCawley 1985) of losses through malfeasance at upper levels of the bureaucracy, which have sharply reduced the real benefit of the projects to the rural community. Project funds steadily dwindle as they pass by each stage of the bureaucratic channels, from Interior Ministry down to the provincial, regency and sub-district authorities, before reaching the village-level administration. McCawley (1985, pp. 22–25) proposed that the central government substantially increase funds being provided directly to villagers. In urging decentralization of government development expenditure on rural infrastructure, he prefers to bypass regional and district levels of bureaucracy and disperse cash grants directly to villages whose "leaders usually have quite clear ideas about the needs of the local community".

While the importance of communication and participation as a prerequisite for any kind of effective and equitable rural development policy has become a truism of government and academic discourse (GBHN 1983; Hainsworth 1982; Hendrata 1983; Mubyarto 1984), both political and economic strategies for Indonesian development remain overly centralized and macro-oriented. Hendrata says: "We are always hearing the call to 'participate', but what seems to be meant by 'participation' here is loud support for the implementation of programs whose methods and contents have been determined at the top" (1983, p. 32).

The 1979 Village Government Law involves more than a rationalization of local government. It will freeze in place a top-down administrative structure which will exacerbate the lack of communication between the central government and the rural majority. More importantly, it will undercut the highly effective mechanisms for community co-operation which exist in Bali and no doubt in other parts of Indonesia and the vital popular responsibility of community leadership.[18]

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NOTES

*This paper is based on field-work in Bali conducted in several stages between 1981 and 1985 under the sponsorship of the Lembaga Ilmu Pengetahuan Indonesia (LIPI). Aspects of this research have been discussed in papers presented at the Yale University Center for Southeast Asian Studies (1983), the Asian Studies Association of Australia Conference (1984), and the KITLV, Leiden (1986). The writer is grateful for suggestions from participants in these conferences and to LIPI for its sustained support. The conclusions drawn are, of course, the responsibility of the writer alone.

1. *Banjar*, however, have always held prior right to harvest the fields of their members when funds were required; and some have purchased rice-land as a means of generating income for hamlet needs. The segregation of these spheres is therefore not absolute.
2. Extrapolated from a very different analytical context, Manuel Castells' (1978) concept of collective consumption nevertheless nicely suits those aspects of *banjar* activity which involve shared appropriation or redistribution of material, social, aesthetic and (especially in the Balinese context) spiritual "goods" through community-based structures.
3. There are some remote *desa* in Bali where *banjar* did not exist in the pre-colonial period. *Banjar* in these areas are recently formed and perform only official (*dinas*) functions. Customary (*adat*) functions continue to be organized by the *desa adat* and component kin groups.
4. Throughout this paper, except where there is reason to distinguish between *adat* and *dinas* functions, the term *banjar* refers to the hamlet as both a customary and official unit. The term *desa*, however, denotes the administrative village only; *desa adat* will be used when referring to the traditional customary village, several of which may be consolidated in an administrative village or vice versa.
5. This is a matter of considerable importance in relation to more recent attempts by the Indonesian Government to restructure local government. Its 1979 legislation (see below) is predicated on the assumption that the *desa* is the basic unit of local government, whereas in Bali the effective community for reasons of scale and the continuity of *adat*-based relations is in fact the *banjar*. Prijono and Prijono (1983) and Tjondronegoro (1984) similarly suggest that hamlet and sub-hamlet units rather than the *desa* have become the primary locus of strong community ties and collective action in contemporary Java.
6. Practice, however, approximates the ideal in varying degrees. For a thorough discussion of the constraints of formal *banjar* conventions and the informal mechanisms utilized for influencing *banjar* decision-making, see Hobart (1975). In my opinion, however, his treatment of factional alignments and patron-orator coalitions is overdrawn. He describes *tempek*, for example, as factions (p. 82) when they are in fact organizational subdivisions of the *banjar*. Many of those referred to as orators are apparently *petajo*, representatives chosen by each *tempek* to assist the headman.
7. In most parts of Bali, residential land is technically village property under customary law. Rights to house-land are customarily acquired through inheritance or allocation by the *banjar* and are tied to fulfilment of customary labour services to the community (*ayahan*). A new tax law (Undang Undang No. 12, 1985) which makes previously exempt *karang ayahan* house-land subject to tax could have serious ramifications for village control over this land unless safeguards are introduced. If it enables the uncontrolled purchase and sale of residential land on a commercial basis, it will undermine the stability of membership and corporate character of local institutions in Bali and the collective consumption possibilities they afford.
8. The significance of death ceremonies in Balinese culture and the role of the *banjar* in their conduct is the subject of a separate paper in preparation.
9. *Banjar* values of civic responsibility and balanced reciprocity warrant as much attention in the analysis of Balinese culture and society as the status competition of Geertz' *Negara* (1980). An adequate analysis of the relation between the two counterposed and institutionalized orientations remains to be written.

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10. *Pancasila*, the "Five Principles" (belief in God, nationalism, humanitarianism, democracy and social justice) set out by Soekarno in 1945 (Feith and Castles 1970, pp. 40–50) became enshrined in the Indonesian constitution as the philosophical foundation of the Indonesian State. It has been aggressively promoted by the Suharto government as the only legitimate national ideology. In New Order rhetoric, however, it has undergone a transformation ambiguously associating the mutual co-operation (*gotong royong*), which Soekarno asserted was its foundation, with the current government's growth strategies of development. On the other hand, Indonesian critics of national development policy have reiterated the earlier emphasis on equity and mutual co-operation in calling for alternative approaches to development under the aegis of "Pancasila Economics" (Mubyarto 1984; and Budiman 1982. See also Liddle 1982; McCawley 1982; Bowen 1986). It is in this latter sense of political tolerance and distributive justice that Balinese villagers generally interpret the term.
11. One casualty of concentrated development policies was Banjar Tengah's Kecak performing troupe. Formed in 1966 to alleviate tensions following the political upheavals of 1965 and to raise money for *banjar* building programmes, it became one of the most successful tourist performing groups over the next decade. But it declined and ultimately disbanded as package-tour operators, in order to increase their profit and cut transport costs, concentrated their performance commissions on local troupes closer to beach-side resorts.
12. Undang-Undang Republik Indonesia No. 5, Tahun 1979, Tentang Pemerintahan Desa.
13. The sub-dusun units, *rukun warga* and *rukun tetangga*, were created by a subsequent decree of the Minister of the Interior and are not mentioned in the original 1979 Law (Peraturan Mentri Dalam Negri No. 7, 1983). This addition may well be aimed at ameliorating the non-participatory structure created by the original legislation, but it does so only by further complicating and elongating the channels of communication between village and state and places popular participation too far down the chain to enable effective communication. On the structural and linguistic inappropriateness of the term "*dusun*" which connotes backwardness and is considered perjorative, see "Dari 'Dusun' ke 'Kakuan' ", *Bali Post*, 13 August 1984.
14. Peraturan Mentri Dalam Negri No. 2, 1981, tentang Pembentukan Lembaga Musyawarah Desa; and Peraturan Mentri Dalam Negri No. 27, 1984, tentang Susunan Organisasi dan Tata Kerja LKMD.
15. "Kelurahan adalah suatu wilayah . . . yang tidak berhak menyelenggarakan rumah tangganya sendiri" (meaning literally, "the *kelurahan* is a territorial unit . . . which is not empowered to manage its own household" (Undang-Undang, No. 5, 1979).
16. On the problem of corruption in the Indonesian bureaucracy, see Gray (1979), Arndt and Sundrum (1979) and Mubyarto (1984).
17. In one instance where a significant proportion of the cental government grant funds for renovation of village buildings had been misappropriated by the *desa* official responsible, the level of rumour and innuendo in the village led *banjar* headmen, who comprised the inner executive committee of the village council, to pressure the person responsible to repay the missing money. In this case, the Regional Development Department supervisor had earlier checked and approved the satisfactory completion of the project, although the renovations carried out were self evidently not commensurate with the allocated funds. In public service circles, it is apparently expected that a substantial proportion of government grant funds will be absorbed by such unaccounted for "leakages". At village level, the prevalence of opportunities for personal aggrandisement at public expense is generally recognized, but not condoned.
18. Undoubtedly reflecting concern over the long-term implications of the legislation within his province, the Governor of Bali declared in 1983 that the name *banjar* should not after all be displaced by the new system and that "*Dusun/Banjar*" would henceforth become the standard designation of hamlet units in Bali (Letter from Governor of Bali to heads of *kabupaten*, 5 September 1983). This symbolic gesture does not touch the more significant structural consequences of the legislation. Provincial and regional implementing legislation are verbatim restatements of the national law.

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Richard Nixon, the Vietnam War, and the American Accommodation with China: A Review Article

PETER VAN NESS

Richard Nixon. *No More Vietnams*. New York: Arbour House, 1985.

Richard Nixon, when President of the United States from 1969 to 1974, withdrew American troops from Indochina and initiated an accommodation with China that, as he immodestly but accurately put it, "changed the world". These two Nixon Administration initiatives were part of a strategy of *realpolitik* that transformed post-World War II U.S. foreign policy. Understanding the relationship between the Vietnam War and Sino-American *détente* is fundamental to analysing global international relations and especially U.S. relations with China.

But now Richard Nixon is attempting to rewrite the history of his own administration. He does not want to be remembered as the first U.S. President to lose a war, and he has written *No More Vietnams* to argue his case. At the same time, he *does* want to be remembered — and revered — as the President who made peace with China. The problem is that he cannot have it both ways. In effect, the price of *détente* with China was U.S. defeat in Vietnam.

"This book was not written to preempt historians", Nixon claims. According to him, by January 1973 when the Paris peace accords on Vietnam were signed, his administration had achieved victory in Vietnam, and it was the U.S. Congress that lost the war subsequently by placing restrictions on the exercise of presidential war-making power, and by cutting drastically White House requests for military and economic assistance to the Thieu government in Saigon.

His argument, as I will show, does not work. Nixon's "peace with honor", most analysts acknowledge, was a device for obtaining a so-called "decent interval" between an orderly withdrawal of U.S. forces from Indochina and a predictable communist victory. Ronald Steel, speaking of President Thieu, asks the central question: "If he couldn't win with half a million American troops, how was he going to win without them?".[1]

But if Nixon lost the war in Vietnam, his initiatives to Beijing won the peace — in the sense that he negotiated an end to the threat from China, which was a main rationale for the U.S. intervention in Indochina in the first place. Surprisingly, there is no discussion of that in this book, in which Nixon is so busy blaming others for the communist victory in South Vietnam.

When a former President of the United States writes a book that distorts key historical events in the history of his own administration, it is especially important for scholars to assess in detail the interpretation being presented. This review essay

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is a critique of *No More Vietnams* and an analysis of the relationship between the Vietnam War and the American accommodation with China.

The Vietnam War

For Americans, the Vietnam War was the longest ever fought, the first lost, and the most divisive, politically, at home since the Civil War of 1861–65. Three million Americans served in Vietnam at different times during the war, and 58,000 Americans died there. Between 1965 when U.S. combat forces were first introduced and 1973 when the last U.S. troops were withdrawn, the American Government spent US$120 billions trying to keep the Vietnamese communists from taking power. Loss of life for the communist side was approximately 600,000 men, some ten times higher. An estimated four million Vietnamese, soldiers and civilians on both sides were killed or wounded during 1959–75.[2] "Never before in history was so much strength amassed in such a small corner of the globe against an opponent apparently so inconsequential", concluded Stanley Karnow in his history of the war.[3]

But why did the United States makes such a commitment of resources and manpower (540,000 troops at the high-point in 1968) to force its will on a small Asian country in remote Indochina? What was the strategic significance of Vietnam for the United States?

The five American presidents who presided over the U.S. involvement in Vietnam (in turn, Presidents Truman, Eisenhower, Kennedy, Johnson, and Nixon) each emphasized somewhat different reasons. However, the fundamental rationale for all of them was "to contain" what Washington saw as the spread of communism, especially Chinese communism. Perceiving the post-World War II world as divided into two ideological camps engaged in a "cold war", American leaders had decided in effect to "draw the line" in Vietnam and were prepared to do whatever was required to stop the advance of communism. As John Kennedy put it, "Now we have a problem in making our power credible, and Vietnam is the place".[4]

Following the communist victory in the Chinese Revolution in 1949, and the invasion of South Korea by the communist government of North Korea nine months later, the Truman Administration took several fateful decisions: to intervene in the Korean War to stop the advance by the North; to place the U.S. Seventh Fleet in the Taiwan Straits to prevent the Chinese communists from taking Taiwan; and to provide material assistance to France in its battle to retain its colonies in Indochina. These decisions set the pattern for American foreign policy in East Asia for the next twenty years.[5] By 1954, when France was defeated at the battle of Dien Bien Phu and finally decided to withdraw from Indochina, the United States had already spent US$2.5 billion to support the French military there — "more assistance than France received in Marshall Plan aid from America" for its economic recovery from World War II.[6] Under the Geneva Agreements of 1954, Vietnam was temporarily divided into North and South at the

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seventeenth parallel. The United States stepped in to provide assistance to the anti-communist government of Ngo Dinh Diem in the South. The American role in South Vietnam grew as communist insurgent activity in the South was resumed in 1957, and the Saigon government failed to control it. Diem was overthrown with American connivance in November 1963[7], and by the end of that year, there were 15,000 American military advisors in South Vietnam — the United States having provided US$500 million in aid during the year. President Kennedy spoke of Vietnam as a "test of American responsibility and determination". Like his predecessors, Truman and Eisenhower, he committed the United States to a policy of "containment", and insisted that the United States must resist "the relentless pressure of the Chinese Communists".[8]

For both China and the United States, Vietnam became a proxy war in a world-wide contest between Beijing's support for "wars of national liberation" and the American commitment to defeat them.[9] According to the American "domino theory", if communism was not stopped in Indochina, the rest of Southeast Asia would fall. Vietnam was the epitome of the American moral crusade against communism — "a proving ground for democracy in Asia", as Kennedy put it.[10]

There were limits, however, to how the United States could fight the war in Vietnam. Throughout the American involvement, U.S. policy was constrained by fears of igniting a nuclear war with Moscow, or provoking a direct intervention by China, as had happened during the Korean War when the United States-led forces crossed into North Korea in Autumn 1950.[11] American veterans of the Korean War were reluctant to engage in a land war in Asia once again, especially against the Chinese. Conceiving of the conflict in South Vietnam not as a civil war but as aggression from the communist North, the United States sought to fight a limited war with the Vietnamese communists. Bombing became the principal weapon the United States used against the North.

The United States bombed both North and South Vietnam with unprecedented intensity. As Stanley Karnow reports, "By the time the Nixon administration signed a cease-fire agreement in January 1973, the United States had dropped on North Vietnam, an area the size of Texas, triple the bomb tonnage dropped on Europe, Asia, and Africa during World War II".[12] However, even the bombing of the North was kept within limits in order not to provoke Hanoi's communist allies, Russia and China — especially with regard to the dikes along the Red River and the civilian population of North Vietnam's cities.

Yet, despite its awesome destructive power, the U.S. bombing of North Vietnam did not have the intended effect. "Operation Rolling Thunder", involving virtually continuous U.S. air strikes against North Vietnam from March 1965 to November 1968, achieved neither of its two main objectives. The bombing, at the rate of some eight hundred tons per day for three and one-half years, did not break the morale of the North or its determination to continue the struggle in the South. Even Secretary of Defence Robert McNamara, who designed the bombing strategy, ultimately decided that "No amount of bombing can end the war".[13]

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According to Karnow, "the bombing backfired". Instead of breaking the will of the communists to continue the war, "the raids rekindled their nationalist zeal, so that many who may have disliked Communist rule joined the resistance to alien attack".[14] Konrad Kellen, an analyst for RAND Corporation who interrogated North Vietnamese and Vietcong prisoners, concluded: "They see the war entirely as one of defense of their country against the invading Americans, who, in turn, are seen merely as successors to the French".[15]

Meanwhile, at home in the United States, by the time Richard Nixon took office on 20 January 1969 (in his own words), "The war was tearing American society apart".[16] He went on "The nation was bitterly divided. Lyndon Johnson had literally been driven from office by antiwar activists".[17] Richard Nixon had been elected on the vague promise that, as journalists put it, he had a "secret plan" for resolving the war in Vietnam.

Nixon's Interpretation of Vietnam

The opening lines of Nixon's book set the stage for his attempt to revise history. He writes:

> No event in American history is more misunderstood than the Vietnam War. It was misreported then, and it is misunderstood now. Rarely have so many people been so wrong about so much. Never have the consequences of their misunderstanding been so tragic.[18]

For Nixon, the Vietnam War was not a civil war, but a war of communist aggression — "the Korean War with jungles", he calls it.[19] The central issue, he says, was not colonialism but communism. According to Nixon, the United States was engaged in a moral struggle for the defence of freedom against an invasion from the "totalitarian" North.

"An obsessive fear of associating with European colonial powers blinded successive American administrations to a very simple fact: communism, not colonialism, was the *principal* cause of the war in Indochina", Nixon argues.[20] "Our goals were noble in Vietnam. But a just cause is not a substitute for strategy. We were morally right in trying to help South Vietnam defend itself, but we made crucial errors in how we went about it".[21]

According to Nixon, "Our first critical mistake in Vietnam was not to have intervened in the battle of Dien Bien Phu. . . . We should have intervened alone if necessary to help the French [after Britain refused to take part] because they were the strongest regional power fighting Communist aggression".[22] For Nixon, "In Vietnam, victory meant preventing the imposition of a Communist government on South Vietnam . . . North Vietnam's external aggression was the *central* cause of the war . . . if it had been a civil war, we probably should not have intervened in the first place. But all the evidence pointed to North Vietnamese aggression".[23]

In reply to critics who argued that the war could not be won, Nixon asserts that not only could it be won through the use of the correct strategy, but his administra-

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tion *had won* the war by January 1973 when the Paris peace agreements were signed. His formula for victory was a "five-point strategy to win the war": Vietnamization, pacification, diplomatic isolation of North Vietnam, peace negotiations, and gradual withdrawal of U.S. troops.[24]

Two aspects of Nixon's strategy were new: the commitment to withdraw U.S. troops, and the attempt to isolate Hanoi diplomatically from *both* its communist allies, the Soviet Union and China. These two components in combination would be the keys to Nixon's success in achieving a negotiated conclusion to the U.S. intervention in Vietnam. Nixon's gradual withdrawal of U.S. troops signalled to the communist side that he seriously sought an end to U.S. military involvement in Indochina. Meanwhile, Nixon played the Soviet Union and China against each other, and both against Hanoi, in a diplomacy designed to achieve "peace with honor" — or what his critics would call "a decent interval".

The other components of Nixon's strategy had all been tried before. "Vietnamization", an attempt to turn over the war to the greatest extent possible to anti-communist Vietnamese forces, was nothing new. The French, who called it "yellowing",[25] had tried to do the same thing, as had previous American administrations. It was the failure of the Saigon forces to hold up against the communists that had prompted greater and greater escalation of U.S. direct involvement in the 1959–68 period.[26] Pacification, the attempt to root out Vietcong cadres and underground organizations in the South, had also been tried, but now it was organized under the controversial "Phoenix Program" whose leader, William Colby, claimed that the programme eventually eliminated some 60,000 Vietcong agents.[27] Finally, regarding peace negotiations, even Lyndon Johnson had tried to negotiate an end to the war on terms acceptable to his administration.

In his own view, Nixon, having achieved victory for the United States in Vietnam by 1973, was defeated by a Congress determined to destroy him over Watergate, a Congress that subsequently refused the Saigon government sufficient material assistance to fight effectively, in Nixon's judgment, and so constrained presidential power through legislation that his successor, Gerald Ford, was not able to go to President Thieu's aid when the conflict in Vietnam resumed in late 1974. Nixon concludes that these Congressional decisions, not his policies, led to the U.S. defeat:

> Congress turned its back on a noble cause and a brave people. South Vietnam simply wanted the chance to fight for its survival as an independent country. All that the United States had to do was give it the means to continue the battle. Our South Vietnamese friends were asking us to give them the tools so they could finish the job. Congress would not, so our allies could not.[28]

Nixon: Right and Wrong

The U.S. Congress (which was preparing to impeach Nixon when he resigned in August 1974) is not the only target for his attack. The anti-war movement and the American communications media also take their share of Nixon's blows.

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Nixon is certainly right to correct several views widely held during the Vietnam War that we now know are false. For example, in the late 1960s and early 1970s, many people in the American anti-war movement were convinced that the National Liberation Front (NLF) in South Vietnam was autonomous from the North (it was not)[29]; that U.S. prisoners of war in the North had not been tortured (many had been); and that a communist alternative government to the dictatorial Saigon regime would be less repressive and more successful in achieving economic development for the Vietnamese people (so far it has not been).[30] Although the "blood bath" predicted for South Vietnam by U.S. officials did not take place,[31] the most horrifying mass slaughter in post-war history did take place next door in Cambodia, where the Pol Pot regime systematically tortured and murdered hundreds of thousands of its own people, and starved to death many more. The total loss of life resulting from Pol Pot's policies is estimated at as many as two million people, more than one quarter of the total population of Cambodia.[32]

Nonetheless, Nixon's basic argument (that his administration had won the war, and the Congress lost it) is simply not true. George Ball, Under-Secretary of State in the Kennedy and Johnson administrations, points out that once Nixon had committed himself to a phased withdrawal of U.S. troops, all the communists had to do was wait. "So they signed nothing while continuing to fight, until America had withdrawn all but a meager remnant of 23,000 men who were themselves shortly scheduled to leave. At that point, the North Vietnamese had effectively won — and they knew it". Ball concludes that there was no "stab in the back" by Congress. "The public was sick of the war, and Congress wisely registered that repulsion by recognizing reality and halting the killing and further profligate waste of resources".[33]

Ronald Steel observes:

> Understandably sensitive to the accusation that he could have ended the war in 1969, and spared 20,000 American lives, Nixon rightly points out that it was not until 1972 that Hanoi gave in on the key condition that Thieu be allowed to remain in power. In return, however, Nixon also reluctantly agreed that North Vietnam would be allowed to retain its troops in the south.[34]

With America's half a million troops withdrawn from support of Saigon, and the North Vietnamese forces permitted to remain in the south, the eventual outcome of the war was predictable. Steel notes:

> The war had been justified, at first, as necessary to prevent Chinese Communist expansion in Asia. Now China, as a result of the Nixon administration's diplomacy, was detaching itself from North Vietnam. And although he does not admit it, Nixon, by withdrawing American troops and agreeing to leave North Vietnamese troops in place, was detaching the US from South Vietnam.[35]

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Perhaps the greatest flaw in Nixon's reinterpretation of the war, and similar arguments put forward by revisionist historians like Norman Podhoretz and Harry Summers,[36] is that they fail to understand Asian nationalism and the political problems that the U.S. intervention itself created for achieving stated American goals in Vietnam. Robert Manning, in his review of Nixon's book, emphasizes the point that "underestimating Third-World nationalism has been one of the key sources of the failure of U.S. policy in the Third World".[37] The unquestioned assumption of American selflessness and service to the Third World is so firmly held by the revisionist historians, so beyond question that these analysts seem compelled to forego even addressing the U.S. dimension of the problem: ours was an altruistic intervention, they say, and only communists could think otherwise!

Yet, how could the United States avoid being tarred by the communists with the label "invader" or "imperialists"? How could the United States, a foreign power, by means of a direct military intervention, help to reinforce the tenuous nationalist credentials of the government that it was supporting in Saigon, a government which at least on one well-documented occasion (the case of President Diem) the United States conspired to overthrow?[38] How, for example, could it be that, as one Saigon official observed to Stanley Karnow, in dealing with Washington, "Our big advantage over the Americans is that they want to win the war more than we do?"[39]

Nixon's assertion that communism, not colonialism, was the problem during the French-Indochina War, and that the United States' first mistake was not to fight on the French side against the Vietminh, shows a shocking inability to understand how the Vietnamese saw these conflicts. As is clear from the evidence on the communist side, they conceived of the war as a national struggle of all Vietnamese against a foreign invader, first the French and then the United States, as well as a social revolution.[40] They built their appeal for support among the Vietnamese people on this foundation. And it worked! How else could the communist side afford to lose ten men for every one lost by the United States and still continue the struggle? Nixon and those who seek to revise the history of the Vietnam War cannot answer this question.

Oriana Fallaci, the Italian journalist, interviewed President Thieu in Saigon in early January 1973, just as the U.S. Christmas bombing of North Vietnam was ending and just before the final and conclusive U.S.-North Vietnamese negotiations to achieve the Paris peace accords. Speaking of Henry Kissinger's negotiating position on behalf of the Nixon Administration, President Thieu told Fallaci: "Mademoiselle, his strategic idea of the world is very brilliant. A Southeast Asia controlled by the Russians, or an Indochina controlled by the Russians, in order to control and contain China". As if addressing the United States, Thieu continued: "I am a little country, my dear American friends. I don't have your global interests; my only interest is in survival. Ah, these great powers who divide the world among themselves! They have an open market everywhere and what does it matter if this market costs the life of a small country?"

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Fallaci responded: "In other words, Mr President, you think that Kissinger was about to sell Vietnam in the name of his world strategy".[41]

The American Accommodation with China[42]

Laos and Cambodia fell to communist forces along with South Vietnam in 1975, but the predicted toppling of Southeast Asian "dominoes" outside of Indochina failed to occur. Moreover, *Newsweek* magazine, on the tenth anniversary of the fall of Saigon, noted as did other publications that the U.S. defeat in Vietnam seemed to have had no real impact on the world balance of power.[43] But how could this be? What about the much-touted strategic significance of Vietnam, held to be so vital to American security by the administrations of five American presidents, and what of the loss of 58,000 American lives in the struggle against International Communism?

The answer is that the Nixon Administration's policy for withdrawing from Indochina was part of a fundamental reshaping of U.S. foreign policy strategy, based on a peace initiative to China and global *realpolitik* of playing communists against communists. In terms of the new Nixon-Kissinger design, Vietnam was expendable — no longer strategically significant. More cynical interpretations, like President Thieu's, would press the point further: that is, the communist victory in Vietnam actually contributed to the Nixon-Kissinger strategy of playing communists off against one another. Ronald Steel, when assessing lessons from the Vietnam War, concludes:

> Today the vitality of the non-Communist societies of the region, and the American position there, is far stronger than when we were fighting in Vietnam. It was the triumph of communism in Vietnam that discredited its appeal throughout the region and has made Vietnam today a poor, miserable, and oppressive state without attraction for anyone. One lesson of Vietnam is that we did not 'win' until we 'lost'.[44]

The United States had been caught in a strategic Catch-22 situation in Vietnam. Washington found that it could not win the war (that is, defeat the communists) without literally destroying the entire country, north and south. But continuous escalation of the war by the United States was constrained by American fears of what North Vietnam's communist allies, the Soviet Union and China, might do in response — as well as by the increasing political pressure of the anti-war movement at home. Moreover, Nixon was facing a re-election campaign in 1972 and had promised "peace with honor". But the United States could not even withdraw its half million troops in a face-saving fashion without the co-operation of the communist enemy.

Nixon's answer to this dilemma was to make credible to the communist side his commitment to get out of Vietnam by actually beginning a phased withdrawal of U.S. troops, while at the same time making initiatives to both the Soviet Union and to China to bring pressure on Hanoi to agree to a negotiated conclusion to the

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U.S. intervention. The logic of Nixon's approach to China had its origins in his earlier thinking about the nature of the Chinese "threat" to U.S. security.

Ever since the victory of the Chinese Communist Party in 1949, the question of how to deal with China had been a number-one priority for American strategic thinkers. In terms of America's "cold war" view of the world, a communist China had either to be defeated militarily, subverted from within, or somehow enticed into voluntary transformation. The fighting ability of the People's Liberation Army in both the Korean War and the border war with India in 1962 had proven to the world that China was a military power of consequence, and in 1964, China joined the ranks of the nuclear powers. By the mid-1960s, after persistent efforts by the Taiwan government and the American CIA (Central Intelligence Agency) to subvert China internally had failed, the policy debate among China experts in the United States had turned to an assessment of alternative designs for co-opting China. "Containment but not isolation" became the slogan for these modest revisions in the U.S. policy of adamant ideological confrontation with China.[45] As things turned out, however, Nixon was more audacious than the experts, sending Kissinger in 1971 to negotiate personally an accommodation with Mao Zedong and Zhou Enlai.

A year before he was elected President, Nixon had published an article in the influential journal, *Foreign Affairs*,[46] in which he spelled out a strategy for dealing with a "common danger" to the United States and the countries of Asia, the threat from Communist China. Postulating that "The world cannot be safe until China changes", Nixon described a carrot-and-stick approach to bringing China into the fold.

Acknowledging that "One of the legacies of Viet Nam almost certainly will be a deep reluctance on the part of the United States to become involved once again in a similar intervention on a similar basis", and that "the role of the United States as world policeman is likely to be limited in the future", Nixon argued: "Any American policy toward Asia must come urgently to grips with the reality of China". Nixon did not propose to appease a threatening China. Rather, "recognizing the present and potential danger from Communist China, and taking measures designed to meet that danger", Nixon urged, "we simply cannot afford to leave China forever outside the family of nations".

> Thus our aim, to the extent that we can influence events, should be to induce change. The way to do this is to persuade China that it *must* change: that it cannot satisfy its imperial ambitions, and that its own national interest requires turning away from foreign adventuring and a turning inward toward the solution of its own domestic problems.

"If our long-range aim is to pull China back into the family of nations", Nixon argued, "we need a positive policy of pressure and persuasion, of dynamic detoxification, a marshalling of Asian forces both to keep the peace and to help draw off the poison from the Thoughts of Mao".

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As events transpired, it was not American strength but Washington's decision to get out of Vietnam, not the attraction of American enticements but Beijing's fear of the Soviet Union, that made the 1971–72 accommodation possible. Contrary to the insistence of many analysts that the United States would have to wait for a new post-Mao generation of Chinese leaders with whom to build an accommodation,[47] it was Mao and Zhou Enlai who initiated *détente* with the United States. Thus, Richard Nixon, the anticommunist, and Mao Zedong, the Marxist revolutionary, made peace, each for his own particular reasons.

For the United States, three strategic considerations were most important: resolving the Vietnam conflict; finding a way to play China and the Soviet Union against each other; and emasculating the revolutionizing influence of the Thought of Mao Zedong, especially in the Third World. A by no means inconsequential additional consideration for Richard Nixon was how the opening to China might enhance the chances of his being re-elected in 1972.

Vietnam was inevitably in the forefront of the minds of the Nixon Administration when elected to power in 1968, the most traumatic political year since the Great Depression. Political differences over the Vietnam War had pushed the country to polar extremes — ending the war was at the top of everyone's political agenda — while throughout the Third World, the U.S. intervention in Indochina had become the paramount symbol of imperialism — undermining the ethical claims of the post-war Pax Americana. Somehow a way had to be found to extract the United States from Vietnam without the appearance of defeat; in Nixon's terms, the United States must achieve "peace with honor". Chinese pressure on Hanoi was the key to success. The Soviets had been willing to give some assistance to the United States in its effort to achieve a negotiated conclusion to the war, but without China's co-operation, the war might go on forever, it seemed. The Nixon-Kissinger strategy was to obtain the assistance of both Moscow and Beijing, separately but concurrently, to bring pressure on their North Vietnamese ally to agree to a negotiated settlement of the war.

Regarding the second consideration, seeking to play China and Russia against each other, the tensions between China and Russia, obvious to the world for a decade, had by 1970 still not produced an American global strategy that could benefit from this conflict. An opening to China would permit the United States to exploit Sino-Soviet differences for the first time in a triangular strategic fashion.

The final objective of American policy, but the one least discussed in the subsequent analytical literature, was the preoccupation at the heart of Nixon's 1967 *Foreign Affairs* article: "detoxifying" Maoist global influence. It is difficult to reconstruct today the American view of Maoist China during the 1960s, especially in the current aura of Sino-American co-operation and *détente*, but twenty years ago, American policy-makers felt profoundly threatened by the political influence and ideological militancy of China, a country which then had a gross national

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product (GNP) estimated to be only one-tenth of America's (with almost four times the population) and military capabilities insufficient even to cross the Taiwan Straits much less to threaten North America.[48]

For the Chinese side, there were also several important strategic benefits to be gained by an accommodation with the United States, the most important of which was probably deterring the Soviet Union. Richard Wich, in his study of what he characterizes as a "geologic shift in the international political environment", begins his story with the August 1968 Soviet invasion of Czechoslovakia and the Brezhnev doctrine of limited sovereignty, and spells out a resulting series of changes in PRC foreign relations.[49]

We sometimes fail to recall that during the decade 1960–70, Beijing had adopted a strategic posture of confronting *both* superpowers. As Wich and other analysts have pointed out, during the late 1960s, probably initiated by the Soviet military intervention to destroy the Czech "Prague Spring" reforms, the Soviet Union superseded the United States in the Chinese perception of threat to their national security. Nonetheless, as late as 1970, both superpowers were still perceived as very serious dangers to China.

The accommodation concluded between Mao and Zhou on the one side, and Nixon and Kissinger on the other, amounted to an arrangement which, for the Chinese, was a way of dealing with the threat from *both* superpowers, not just with the Soviet threat alone. The accommodation with the United States would deter the Soviet Union, but it would also demolish, almost with the stroke of a pen, the U.S.-led anti-China alliance of Asian states in place since the Korean War. Moreover, *détente* with the United States meant that Washington would no longer attempt to deny the legitimacy of the People's Republic and stand in the way of China taking its rightful place in international institutions and establishing formal diplomatic relations with countries around the world. The United Nations General Assembly's decision to accept Beijing and to expel the representatives of Taiwan's Republic of China government on 25 October 1971, less than four months after the July announcement of President Nixon's planned trip to China, symbolized these changes. The accommodation with the United States opened the door for the People's Republic of China to participate in established international institutions. China gained access to a powerful and legitimate role in the United Nations and other international organizations that would prevent the United States at any subsequent time from being able to deny China legitimacy and label it "outlaw", and that would make it immensely difficult for the United States to rebuild the kind of hostile constellation of states to threaten the security of China as the United States had for the previous twenty years.

Perhaps most profound of all, it was clear to the entire world (except perhaps some people in the United States) that the American withdrawal from Vietnam, which was a component part of the new arrangement with China, meant the end of Pax Americana. The United States was a declining hegemonic power.

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Conclusion

The Vietnamese communists would not settle for defeat in the South, no matter how strong the pressure might be from Moscow and Beijing. They had fought too long, and lost too many lives since they began in 1945 to compromise now. However, Nixon's phased withdrawal of U.S. troops made credible to Hanoi Nixon's claim that he wanted to get out of Vietnam. According to George Ball, as more than 500,000 U.S. troops were pulled out, the United States gradually conceded defeat — since it was most unlikely that either the American public or the Congress would have agreed to recommit American forces to Indochina. Step-by-step, the balance of military power in the South was shifting to the advantage of the communists, especially since Nixon and Kissinger had given up their insistence that the North withdraw its troops. Hence, under these circumstances, Hanoi was willing to accede to Soviet and Chinese pressures to negotiate a face-saving U.S. final withdrawal.

For the Chinese, U.S. defeat in Vietnam symbolized the end of the post-war Pax Americana which had threatened the very existence of the PRC since its founding. For reasons already discussed, China was eager for *détente* with the United States, but it could not expect to pressure its Vietnamese comrades to accept half a loaf, especially since at the Geneva Conference of 1954 it had been the Chinese who had compelled the Vietnamese to accept partition of the country rather than a complete victory against the French in the first Indochinese war.[50]

Therefore, the Soviet Union and China, each for its own reasons, would help the United States to achieve a face-saving withdrawal from Indochina[51], and the various parties to the peace accords would be free to interpret them publicly as they chose ("peace with honour", "victory", "decent interval", and so on). The net result was that the communists would come to power in South Vietnam, and all parties to the Paris accords knew this was inevitable (as George Ball says, "once our forces had left Vietnam, defeat was effectively assured"[52]).

Yet, in terms of the new U.S. foreign policy strategy of *realpolitik*, the communist victory in Indochina made no real difference. From Washington's new perspective, Vietnam was no longer strategically significant. As we have seen, the U.S. defeat did not affect the world balance of power. Moreover, depending upon how much foresight one is willing to attribute to Nixon and Kissinger, one could argue, like President Thieu did in the interview with Oriana Fallaci, that a communist victory in Vietnam might even be a benefit to the United States in terms of the new American policy of playing communists against communists.

But Richard Nixon, the life-long anticommunist, could not acknowledge to the world (nor perhaps even to himself!) that his new foreign policy strategy and his "secret plan" for resolving the Vietnam War would ultimately mean a communist victory in South Vietnam — and, for Americans, the first war the country had ever lost.

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2. Unless otherwise noted, general statistics regarding the Vietnam War are taken from Stanley Karnow, *Vietnam: A History* (New York: Viking, 1983). See also Mike Gravel, ed., *The Pentagon Papers: The Defense Department History of United States Decision-making on Vietnam* (Boston: Beacon, 1971), five volumes; R.B. Smith, *An International History of the Vietnam War* (London: Macmillan, 1983), two volumes; and Guenter Lewy, *America in Vietnam* (New York: Oxford University Press, 1978).
3. Karnow, op. cit., p. 435.
4. Ibid., p. 248.
5. See Akira Iriye, *The Cold War in Asia: A Historical Introduction* (Englewood Cliffs, New Jersey: Prentice-Hall, 1974).
6. Karnow, op. cit., p. 137.
7. For a detailed description of the overthrow of Ngo Dinh Diem and the American involvement in the coup, see Karnow, pp. 277–311.
8. Ibid., p. 247.
9. See Peter Van Ness, *Revolution and Chinese Foreign Policy: Peking's Support for Wars of National Liberation* (Berkeley: University of California Press, 1970). See also, Michael Schaller, *The United States and China in the Twentieth Century* (New York: Oxford University Press, 1979), chapter 7.
10. Karnow, op. cit., p. 247. See also pp. 9–15 and 342.
11. Allen Whiting, when he was in the Department of State, was one of those most concerned about the possibility of provoking war with China. See his, "War with China?", *The New Republic*, 20 May 1972.
12. Karnow, op. cit., p. 415.
13. Ibid., p. 498. See also pp. 454, 500 and 509.
14. Ibid., p. 458.
15. Quoted in ibid., p. 460.
16. Richard Nixon, *No More Vietnams* (New York: Arbor House, 1985), p. 98.
17. Ibid., p. 101.
18. Ibid., p. 9.
19. Ibid., p. 47.
20. Ibid., pp. 31–32. Italics in the original.
21. Ibid., p. 47.
22. Ibid., p. 31.
23. Ibid., p. 80. Italics in the original.
24. Ibid., pp. 104–11.
25. Karnow, op. cit., p. 187.
26. As General Vo Nguyen Giap told Oriana Fallaci: "If the Americans hadn't known that puppet-soldiers are bad soldiers, they would have had no need to bring so many of their own troops into Vietnam". Oriana Fallaci, *Interview with History* (New York: Liveright, 1976), p. 85.
27. Karnow, op. cit., pp. 601–2. See also *Far Eastern Economic Review*, 2 May 1985, p. 40.
28. Nixon, op. cit., p. 202.
29. See, for example, Karnow, op. cit., p. 401.
30. Ibid., pp. 29–41, and Steel, op. cit., p. 14. See also the cover story on the tenth anniversary of the communist victory in Vietnam in *Far Eastern Economic Review*, 2 May 1985, pp. 30–40; and more recently on the failure of reform, see John Gittings, "Vietnamese Admit Economy is a Mess", *Guardian Weekly*, 23 March 1986, p. 7.
31. Nonetheless, an estimated one million South Vietnamese have fled the country, and up to 100,000 were still in "re-education camps". See *Newsweek*, 15 April 1985, p. 36. Moreover, as new

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evidence becomes available, it may be necessary to revise the accepted conclusions about the "blood bath". See Jacqueline Desbarats and Karl D. Jackson, "Postwar Vietnam Was a Blood Bath After All", *Asian Wall Street Journal*, 17 April 1986.

32. Karnow, op. cit., p. 45. With regard to the overthrow of Prince Sihanouk by Lon Nol in March 1970 that led to the ultimate victory of Pol Pot in Cambodia, Nixon claims: "Lon Nol's coup came as a complete surprise to us. We neither encouraged it nor knew about it in advance. Those who have insinuated that the CIA instigated the coup have managed to overlook the fact that we did not have even one intelligence agent in the country at the time". Nixon, op. cit., p. 117.

    Karnow found no evidence that the CIA encouraged the coup (pp. 603–5), but Nixon's claim that the White House knew nothing of its plans is not true. A member of Kissinger's White House staff has written: "It was clear in the White House that the CIA station in Phnom Penh knew the plotters well, probably knew their plans, and did nothing to alert Sihanouk. They informed Washington well in advance of the coup, and joined the chorus from the U.S. military in Saigon and from the Pentagon urging immediate aid and political patronage for the new government". See Roger Morris, *Uncertain Greatness: Henry Kissinger and American Foreign Policy* (New York: Harper & Row, 1977), p. 173. See also William Shawcross, *Sideshow: Kissinger, Nixon and the Destruction of Cambodia* (London: Andrew Deutsch, 1979).
33. George W. Ball, *New York Times*, 19 May 1985, p. E21.
34. Steel, op. cit., p. 11.
35. Ibid., p. 12.
36. See Norman Podhoretz, *Why We Were in Vietnam* (New York: Simon & Schuster, 1982); Harry G. Summers, Jr., *On Strategy: A Critical Analysis of the Vietnam War* (Novata, California: Presidio Press, 1982); and the special issue of *Society* magazine on "Vietnam as Unending Trauma", November/December 1983, Vol. 21, No. 1.
37. Robert Manning, *Far Eastern Economic Review*, 9 May 1985, p. 63.
38. Karnow, op. cit., pp. 277–311. Stein Tonnesson, who gained access to the French archives for his research on the wars in Indochina, sees the overthrow of Diem as a watershed in the U.S. intervention in Vietnam: "Deposing Diem meant removing an extremely unpopular dictator, yes, but it also meant killing the only able nationalist leader in Saigon, the only one who could depend on Washington without becoming a puppet. One might say that the political chaos following Diem's overthrow ruined America's political possibilities before the military effort really started. As long as Diem was there, Washington could retain the idea of assisting a non-communist government. After the coup against Diem, the U.S. was in the same situation that France had been, defending a territory more than a government, and trying to *construct* a political alternative to the National Liberation Front". Stein Tonnesson, "The Longest Wars: Indochina 1945–1975", *Journal of Peace Research* 22, no. 1 (1985), p. 22.
39. Karnow, op. cit., p. 383.
40. Jeffrey Race analyses the social bases of communist support and how the anti-imperialist goals of the NLF were integrated into its social revolutionary strategy in, "How They Won", *Asian Survey*, August 1970. See also, Tonnesson, op. cit., p. 10, for his concept of the nature of the Vietnam War.
41. Fallaci, op. cit., pp. 55–56.
42. Parts of this section are taken from my "Co-opting China: The Realization of an American Dream?" in Yu-ming Shaw, ed., *Mainland China: Politics, Economics, and Reform* (Boulder, Colorado: Westview Press, 1986).
43. *Newsweek*, 15 April 1985, p. 36. See also, for example, the special issue of the *Washington Post, National Weekly Edition* (29 April 1985, p. 6) that concluded: "There is no sign today that the outcome in Indochina a decade ago tipped the scale of geopolitics in any decisive fashion".
44. Steel, op. cit., p. 14.
45. See *Hearings before the Committee on Foreign Relations, United States Senate, on U.S. Policy with Respect to Mainland China* (U.S. Government Printing Office, Washington, D.C., 1966), especially the testimony of A. Doak Barnett and John K. Fairbank.
46. Richard Nixon, "Asia After Vietnam", *Foreign Affairs*, October 1967, pp. 111–25.

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47. For example, Lucien W. Pye, "China in Context", *Foreign Affairs*, January 1967, pp. 229–45.
48. For an example of the American perception of threat, see Robert S. McNamara, *The Essence of Security: Reflections in Office* (New York: Harper & Row, 1968), Appendix I.
49. Richard Wich, *Sino-Soviet Crisis Politics: A Study of Political Change and Communication* (Cambridge, Mass: Harvard University Press, 1980).
50. For a most interesting account of the Chinese and Soviet diplomacy at Geneva in 1954, see Karnow, op. cit., pp. 191–204, and 638. See also, Francois Joyaux, *La Chine et le reglement due premier conflit d'Indochine* (Paris: Publications de la Sorbonne, 1979).
51. For an analysis of the Soviet perspective after the U.S.-Soviet summit meeting of May 1972, see Joseph Kraft, "Letter from Moscow", *New Yorker*, 24 June 1972; and for an insightful interpretation of Henry Kissinger's secret negotiations carried out during 1972 and 1973, see Tad Szulc, "Vietnam: The Secret Record", *Washington Post*, 2 June 1974. Hanoi claims that as a result of the Sino-American accommodation, Beijing made a volte-face in its policy towards Vietnam and began to co-operate with the United States. Among other changes in policy, "In late 1971 the Beijing leaders pressurized Vietnam to give up the demand for the removal of Nguyen Van Thieu" — which they eventually did. See *Chinese Aggression Against Vietnam* (Hanoi: Vietnam Courier,) p. 13. According to Henry Kissinger, by February 1973 when he met again with Zhou Enlai in Beijing, "American and Chinese interests were nearly parallel" with respect to Indochina, and Zhou wanted to deny Hanoi "hegemony" in the region by buffering it with three independent states: Laos, Cambodia, and South Vietnam. Henry Kissinger, *Years of Upheaval* (London: Weidenfeld and Nicolson, 1982), pp. 57–58.
52. George Ball, op. cit.

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BOOK REVIEWS

The Murderous Revolution: Life and Death in Pol Pot's Kampuchea. By Martin Stuart-Fox, with drawings by Bunheang Ung. Australia: New South Wales, Alternative Publishing Cooperative Limited (APCOL), 1985; and Bangkok: Tamarind Press, 1986.

Massacres are as old as mankind and there is no bestiality on an organized scale to which history does not bear witness. The geography of mass murder and starvation, of political incarceration and torture, from South Africa to the USSR, has today become routine and yet quite unreal. So readers may well be forgiven for being too weary to contemplate yet another book on the neverending sufferings of the Cambodian race, but where this volume is concerned, the recoil might profitably be resisted. Martin Stuart-Fox's book, based on the personal experience of a young Cambodian cartoonist (Bunheang Ung) who lived through the nightmare, is well worth a look.

At the time when the Khmer Rouge entered Phnom Penh on 17 April 1975, "Bun" was a student at the University of Fine Arts. Earlier, at the Fine Arts High School, also in Phnom Penh, a Russian teacher and cartoonist, Dimitri, had made a particular impression on him and did more than anyone else to shape his subsequent career as a cartoonist and animator. While at university, Bun worked part-time as a cartoonist for an independent newspaper, *Nokor Thom*, which had criticized both Lon Nol's policies and the Khmer Rouge. Martin Stuart-Fox's book provides a very readable, descriptive account of the horror that was to follow in the life of Bun and his family over the next five years, as Kampuchea under Pol Pot closed all its doors and descended into the jaws of hell. The author has also included a number of chapters summarily accounting for the rise of the Khmer Rouge, the power struggles and purges which tore the CPK (Communist Party of Kampuchea) apart as well as a perceptive and intelligent explanation of the thinking of that small group of ideologues who wielded such absolute power in Democratic Kampuchea. But he does not provide any new insights.

What really brought on the Cambodian apocalypse? Quite simply, the U.S.-backed Lon Nol regime fought a civil war with the agrarian-Maoist forces of Pol Pot. To escape this war and U.S. bombings, Cambodia's rural populace fled into the urban centres. Then along came Pol Pot and his murderous cohorts who proceeded to reverse this process by an insanely logical evacuation of Phnom Penh, just as the Greeks emptied Troy, or the Romans, Carthage. The prime motivation for the evacuation, the author notes, was "the regime's ideological commitment to the creation of a one-class state. Evacuation of the capital was designed to remould the Kampuchean urban population". Finally, the Vietnamese army entered, driving all before them.

The superpowers played a major part in the equation. U.S. bombing led to the disintegration of an ancient and fragile society whilst the People's Republic of China propelled the Khmer Rouge on their road to madness and the USSR-backed Vietnam. This, at least, is what the chain of guilt looks like, though future historians may rule otherwise.

One thing is hideously clear, however — the legacy of despair and desolation, the murdered, starving millions, the psychological and physical scars which will cripple even the survivors. How many millions were butchered, we will never know. But Bunheang Ung

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captures it all in his marvellous, surreal, sometimes comical, drawings of the macabre years of Pol Pot. What remained etched on his mind was a series of indelible images — of the stunned disoriented mass of people evacuating the capital of Phnom Penh, the brutal nastiness of Khmer Rouge cadres; the district prison; propaganda classes; the toothy, bloated and grinning face of Pol Pot; the consciousness-building seminars and the bodies of the dead. His drawings are a vivid glimpse of the irrational dimensions of man's inhumanity to man. This collection of Bunheang Ung's drawings is, as Martin Stuart-Fox notes, a unique record of the suffering of the Kampuchean people and a memorial to the dead. For that alone, this book is surely a valuable addition to the literature of a painful subject.

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Indonesia and Malaysia: Scandinavian Studies in Contemporary Society. Edited by Thommy Svensson and Per Sørensen. London and Malmø: Curzon Press, 1983. 282pp.

As co-editor Svensson says, the publication of this book is indeed "a remarkable event" in Scandinavian academic life, which traditionally has had its regional focus elsewhere than Southeast Asia. In the past, scholarly activities and direct commercial or practical contacts in the area have been small compared to those of the larger, colonial powers. However, upon the independence of the new regional states and the setting up of formal diplomatic links, scholarly interest in the region was co-ordinated by the Scandinavian Institute of Asian Studies, a research body set up in 1967 in Copenhagen. Social anthropology, followed by the other social sciences, history and linguistic studies are the major fields of research at the Institute.

Several of the essays in this book were presented at a symposium held in 1977 in Sweden. The long incubation has resulted in a collection of nine essays, six of them written by academics attached to social anthropology departments at various Scandinavian universities. The geographical focus is mainly on Indonesia but Malaysia and the New Guinea Highlands also provide material for a few essays. The book has been broadly divided to represent three different lines of research in an attempt to organize the selection. A superficial glance at the essays does not give one the impression that this is justified. The book seems to contain detailed studies of a wide range of topics with possibly as wide a range of theoretical implications. However, a more thorough reading reveals that the book does indeed hold together.

Let us examine the individual contributions in this mosaic more closely. Elisabeth Lind demonstrates how the rhetoric used by Soekarno fits important traditional concepts of the Javanese people. The structural and rhetorical similarities between the two are clear and easily recognizable. This worked to Soekarno's advantage because it validated his position and popularity. The analysis, showing the apparent parallelism between two systems of ideas is interesting and difficult to ignore. But an awareness of its explanatory limitations reminds us of complementary approaches necessary for a fuller understanding of the charisma of Soekarno.

In the second essay, Lars Vikør charts the history of language policy planning aimed at integrating the population of new states like Indonesia and Malaysia. Focusing mainly on Indonesia, Vikør suggests that the social and the political implications be taken into account

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more than has been done in the past. Otherwise, instead of integration, the planning of "public language" without regard for "popular language" could deepen the cleavage between the two even more.

In the early decades of this century, rural Priangan in West Java was an area of successful political organization. This is interesting because, in general, political activity originated and developed mainly in emerging towns and trading centres. In this excellent paper, Thommy Svensson discusses the structural conditions for this special case of rural mass politics. Agrarian relations and the agrarian economy as they are interpreted and subsequently "used" by the people are important in this analysis. It is particularly exciting to follow Svensson's attempt at merging individual behaviour and structural conditions.

Rural change remains the subject for two essays set in West Lombok and East Java. Both present material to refute Geertz's well-known theory of agricultural involution in the area. They painstakingly demonstrate how the basic form of the economy has been replaced by contrasting forms of land tenure and has not, as Geertz would have it, shown its durability through social metamorphosis into more "involuted" relations. In neither case have traditional relations disappeared altogether, but rather they have acquired new functions subordinate to the new situation of conflict between landlords and the landless.

Magnus Lindgren suggests that an isolated view of kinship seen only in its own terms is one-dimensional and lacking in its ability to explain descent as an ideology. He argues that kinship studies would benefit by concentrating on the interrelationship between kinship and the social relations of production. He concludes that in the New Guinea Highlands, descent as an ideology legitimizes and hides unequal relations in the process of social and material reproduction. However, he is also aware that such a materialist view of primitive societies presents a major theoretical difficulty within the Marxist framework. Kinship as ideology is part of the superstructure but when considering its interconnections with the relations of production it becomes part of the infrastructure too. Such a theory of society cannot be accepted because it has difficulty accommodating social change. This should be stimulating enough to invite more research on this subject.

Sven Cederroth demonstrates how the Surenese nobility manipulate the marriage system to perpetuate their traditional, privileged position in the face of eroding changes. Moving away from the concentration on structural explanations, this and the next two essays turn to people actively using ideas and custom as resources in dealing with changing structural conditions. Wil Lundstrøm-Burghoorn points out that names and terms of address have much more ethnographical value than normally thought. We are told that in addressing a person what is important is what you want to emphasize and what is appropriate. It becomes clear that labels have different capacities and that we actively choose them accordingly.

In the last essay, Ingrid Rudie describes change in agricultural and ceremonial patterns of co-operation. Originally, the system of exchange of labour and goods between neighbours worked out such that everyone received approximately fair exchange for what they put in. However, due to external change and its local social implications, this system no longer functions as it did before. Rudie addresses the intriguing interrelationship between macro-level factors and dynamic local communities. Indigenous concepts are considered together with conditions in a particular historical setting to produce a highly readable essay.

Looking at the selection as a whole, we see clearly that the theme running through all the essays is that of social change. The question generally addressed is what the forces and the mechanisms of change are. Several approaches are presented. In some papers, explanations

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are looked for in indigenous systems of ideas. In others, the emphasis is on the structural conditions that provide people with opportunities and limitations. However, the approaches are not mutually exclusive and there are attempts to marry the two in other papers. These analyses try combining a description of native concepts on their own terms and the analyst's own view of the structural conditions. Whilst such ambitious aims have not been completely realized and perfected in this volume, it is nonetheless inspiring to view the efforts made by our Scandinavian colleagues.

Long Litt Woon
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DOCUMENTATION

Peace and Security for the Asian-Pacific Ocean Region

Excerpt from Speech by Mikhail Gorbachev in Vladivostok, 28 July 1986

The main problem confronting mankind today — that of survival — is equally acute and urgent for Europe, Africa, America and Asia. Yet, in each part of the world it looks different. Therefore, while being here, in Vladivostok, it is natural to look at international policy issues from the Asian-Pacific standpoint.

Such an approach is justified for many reasons. In the first place, a greater part of our country's territory lies east of the Urals, in Asia — in Siberia and the Far East. It is here that many national tasks put forward by the Party Congress will be carried out. Therefore, the situation in the Far East as a whole, in Asia and the ocean expanses adjoining it, where we are permanent inhabitants and seafarers of long standing, is to us of a national, state interest.

Many major states of the world, including the USSR, the United States, India, China, Japan, Vietnam, Mexico and Indonesia are situated on the enormous expanses of this territory extending over almost half of the earth. Here are situated states which are considered to be medium-sized ones, but are rather big by European standards — Canada, the Philippines, Australia and New Zealand, and tens of comparatively small and tiny countries. Some of them have a history covering millennia or many centuries, others have formed in modern times, and still others have formed quite recently.

Asia, which woke up to a new life in the 20th century, has enhanced world progress with its diversified and unique experience in the fight for freedom and independence. This is not only history. This is a living legacy forming an important part of the foundations of the current political realities in this part of the world.

Every country has its own social and political system with all conceivable shades, its own traditions, achievements and difficulties, its own mode of life and beliefs, convictions and prejudices, its own understanding of spiritual and material values. Each country has something to be proud of and something to uphold in the treasure-house of human civilization.

This impressive diversity, this colossal human and socio-political massif calls for close attention, study and respect. We know well from our own, Soviet, experience what an immense creative force a renewed sense of national dignity becomes, what a constructive role is played by the national identity of a people in its organic interrelationship with other equal and free peoples. This process is now on the rise in Asia and the Pacific region: everything is in motion here, far from everything has settled. The new mixes with the old. A way of life which seemed unshakeable only yesterday is giving way to the whirlwind of changes — social, scientific and technical, and ideological. This is, I would say, yet another period of renaissance in world history, a period harbouring a huge potential of progress. And progress not only for Asia and Oceania.

Which direction will socio-economic and political development take in the region?

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What processes will prevail in inter-state relations? These issues will largely determine the destinies of the whole world.

Socialism is an inalienable factor in the large-scale and complex changes taking place in this region. It gained firm positions in Asia as a result of the Great October Socialist Revolution and the victory over fascism and Japanese militarism, as a result of the great Chinese revolution, as a result of the consolidation of the new social system in Mongolia, in the land of Korea whose people displayed outstanding steadfastness in the struggle for the socialist future of their country, and then in Vietnam and Laos. But it is also in Asia where it met with the most brutal and cynical counteraction. Vietnam is the most graphic example of this. Its heroic experience, the lessons of its victory over imperialism accentuated once again the irresistible force of the ideas of freedom and socialism.

Here, in Asia, the concept of non-alignment, a movement which now includes more than a hundred nations, emerged. It is trying to come up with its own response to the challenge of the time, is actively working for overcoming the world's division into military blocs and is seeking its own ways of reducing the nuclear threat. In rejecting and condemning exploitation, the policy of aggression and neocolonialism, the non-aligned movement is urging mankind to work for unity, for cooperation in combating hunger and the acute poverty of hundreds of millions of people.

The great India, with its moral prestige and traditional wisdom, with its specific political experience and huge economic potentialities, is the recognized leader of this movement. We highly value its contribution to establishing standards of equal co-existence and justice in the international community. Friendly relations between the USSR and India have become a stabilizing factor on a world scale.

Japan has turned into a power of foremost importance. The country which became the first victim of American nuclear weapons has traversed a great path within a brief period, and has achieved outstanding successes in industry, trade, education, science and technology. These successes are due not only to the organizing ability, self-discipline and energy of the Japanese people, but also to the "three non-nuclear principles" which officially underlie its foreign policy, although lately — and this must be emphasized — they, as well as the peaceful provisions of Japan's Constitution are being circumvented ever more openly.

But we also see many other things in Asia and Oceania. The fact that the peoples' dignity was insulted by colonialism, the legacy of poverty, illiteracy and backwardness, along with profound prejudices, preserve conditions for mistrust and hostility between peoples, including peoples living within one state. Imperialism takes advantage of the difficulties and prejudices, which leads to local conflicts, ethnic and religious strife and political instability.

Wherever independence becomes a tangible international value and a threat to the exploitative interests of imperialism emerges, it resorts to its favourite methods: economic blackmail, intrigues and plots against the leadership of the country in question, and interference in internal affairs; it backs separatists and finances and even directly arms counter-revolution and terrorists. Punjab, the Tamil problem, with attempts being made to turn this problem against India too, undeclared wars on Kampuchea and Afghanistan, the annexation of Micronesia, interference in the Philippines, and pressure on New Zealand provide enough examples showing how the contemporary mechanism of imperialist intervention and diktat works.

The experience of history, the laws of growing interdependence and the need for economic integration urge one to look for ways leading to agreement and to the

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establishment of open ties between states in the region and beyond it. These states have tens, hundreds of glaring problems, problems inherited from the colonial past and emerging out of contradictions of present-day development. And these states are being dragged into blocs; the freedom of utilizing their own resources is being curtailed. They are being forced to increase their military budgets, and are being drawn into the arms race and the militarization of the economy and the entire social life.

All this deforms the processes of internal development, creates tension and, naturally, hampers a normalization of relations between nations and states.

The Soviet Union is also an Asian and Pacific country. It is very much aware of the complex problems facing this vast region. They concern it directly. This is what determines its balanced and comprehensive view with regard to this huge part of the world where a large number of different nations and peoples are concentrated. Our approach to it is based on a recognition and understanding of the existing realities in the region.

At the same time our interest is not a claim to privileges and a special position, or an egoistic attempt to strengthen our security at someone else's expense, or a search for advantages to the detriment of others. Our interest is in the pooling of efforts and in cooperation, with full respect for the right of each nation to live as it chooses and resolve its problems on its own in conditions of peace.

We are in favour of building together new, fair relations in Asia and the Pacific.

Recently I have had many meetings with leaders of European states, with various political figures of European countries. I cannot help comparing the situation in Asia with that in Europe.

On the whole the Pacific region has not as yet been militarized to the extent Europe has. But the potentialities of its militarization are truly immense, and the consequences are extremely dangerous. One only needs to look at a map to be convinced of this. Major nuclear powers are situated here. Large land armies, navies and air forces have been established. The scientific, technological and industrial potential of many countries — from the western to the eastern fringes of the ocean — makes it possible to step up any arms race. The situation is being exacerbated by the preservation of conflict situations. Let us not forget: it is in Asia that American imperialism waged two biggest wars since 1945 — the war in Korea and the war in Indochina. In the last four decades there is hardly a period of even just a few years when the flames of war did not blaze in one or another part of the Asian and Pacific region.

In Europe, whether it is working well or not, the Helsinki process of dialogue, negotiations and agreements is under way. This creates a certain stability and reduces the probability of armed conflicts. In the region under consideration this is absent, or nearly absent. If something has changed lately, it has not been for the better. Since the second half of the seventies the USA has undertaken large-scale measures to build up armed forces in the Pacific Ocean. The militarized triangle of Washington, Tokyo and Seoul is being set up under its pressure. And although two out of three nuclear powers in the region — the People's Republic of China and the USSR — pledged not to be the first to use nuclear weapons, the United States has deployed nuclear weapon-delivery vehicles and nuclear warheads in one of the zones of crisis — in the Korean Peninsula, and nuclear weapon-delivery vehicles on Japanese territory.

One has to state that militarization and the escalation of the war threat in this part of the world are taking place at a dangerously fast pace. The Pacific Ocean is turning into an arena of military and political confrontation. This is what gives rise to growing concern among the peoples living here. This is alarming also for us from all points of view, including for considerations of security in the Asian part of our country.

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The Soviet Union's policy towards Asia and the Pacific region is an integral part of the general platform of the CPSU's international activity worked out by the April Plenary Meeting and the 27th Congress. But a platform is not a chart that can be applied to any situation. Rather, it is a set of principles and a method based on experience.

How, then, should one envisage the process of establishing international security and peaceful cooperation in this vast region?

First of all, in keeping with its principled policy as approved by the 27th Congress, the Soviet Union will try to invigorate its bilateral relations with all countries in the region without exception. We shall strengthen in every way friendship and promote many-sided relations with the Mongolian People's Republic, the Democratic People's Republic of Korea, the Socialist Republic of Vietnam, the Lao People's Democratic Republic and the People's Republic of Kampuchea. We regard relations with our friends, built on the principles of equality and solidarity, as an integral part of overall Asian and Pacific security.

At present, for instance, a question of withdrawing a substantial part of Soviet troops from Mongolia is being considered jointly by the Soviet and Mongolian leadership.

We are prepared to expand ties with Indonesia, Australia, New Zealand, the Philippines, Thailand, Malaysia, Singapore, Burma, Sri Lanka, Nepal, Brunei, the Republic of Maldives, and the youngest independent participants in the region's political life. With some of these — Papua New Guinea, Western Samoa, the Kingdom of Tonga, Fiji, the Republic of Kiribati, the Republic of Nauru, Tuvalu and the Republic of Vanuatu — we already maintain diplomatic relations.

Speaking in a city which is but a step from the People's Republic of China, I would like to dwell on the most important issues in our relations. These relations are extremely important for several reasons, starting with the fact that we are neighbours, that we share the world's longest land border and that for this reason alone we, our children and grandchildren are destined to live near each other "for ever and ever".

Of course, there is more to the question than that. History has entrusted the Soviet and the Chinese peoples with an extremely responsible mission. Much in international development depends upon these two major socialist nations.

Relations between our two countries have improved noticeably in recent years. I would like to reaffirm that the Soviet Union is prepared — at any time and at any level — to enter into discussion with China on additional measures for establishing an atmosphere of good-neighbourliness. We hope that the border dividing us (I would prefer to say linking) will become in the near future a line of peace and friendship.

The Soviet people respond with understanding and respect to the objective advanced by the Communist Party of China — to modernize the country and build in the future a socialist society worthy of a great people.

As far as it is possible to judge, the Soviet Union and China have similar priorities — to accelerate social and economic development. Why not support each other, why not cooperate in implementing our plans wherever this is clearly to the benefit of both sides? The better our relations, the more we shall be able to share our experience.

We note with satisfaction that a positive shift has become visible in economic ties. We are convinced that the historically established complementarity between the Soviet and the Chinese economies offers great opportunities for expanding these ties, including in the border regions. Some of the major problems of cooperation are literally knocking at the door. For instance, we do not want the Amur, which runs along the Chinese-Soviet border, to be viewed as a "water barrier". Let the basin of this mighty river unite the efforts of the Chinese and the Soviet peoples in using the river's rich resources for mutual benefit and in

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building water-management projects. A relevant inter-governmental agreement is already being jointly worked out. And the official border could pass along the main ship channel.

The Soviet government is preparing a positive reply concerning the question of assistance in building a railway connecting the Xinjiang-Uygur Autonomous Region with Kazakhstan.

We have suggested cooperating with China in space exploration, which could include the training of Chinese cosmonauts. The opportunities for mutually beneficial exchanges in the sphere of culture and education are great. We are prepared for and sincerely desire all this.

On relations with Japan. Signs are emerging indicating a turn for the better here as well. It would indeed be a positive development if the turn did take place. The objective position of our two countries in the world demands profound cooperation on a sound and realistic basis, and in a calm atmosphere free from problems of the past. A beginning was made this year. Foreign ministers exchanged visits and an exchange of top-level visits is on the agenda.

Economic cooperation is of mutual interest. The main issue here is our coastal regions which already have business contacts with Japanese firms. It is possible to discuss the question of establishing joint enterprises in adjacent and nearby regions of the USSR and Japan. Why not establish long-term cooperation in the investigation and comprehensive use of the ocean resources, why not correlate programmes of the peaceful study and use of outer space? The Japanese, it seems, have a method of making relations more dynamic which is called "economic diplomacy". This time let it serve Soviet-Japanese cooperation.

The Soviet Union also shares the border with the United States in the Pacific region. It is our next-door neighbour in the literal meaning of the word, with only seven kilometres dividing us — the exact distance between the Soviet island of Big Diomede and the American island of Little Diomede.

We recognize clearly that the United States is a great Pacific power. Primarily because a considerable part of the country's population lives on the shores of this ocean, the western part of America, gravitating towards this area, is playing a growing part in the country's development and is a dynamic force. Furthermore, the United States, undoubtedly, has important and legitimate economic and political interests in the region.

No doubt, without the United States and its participation, it is not possible to resolve the problem of security and cooperation in the Pacific Ocean to the satisfaction of all nations in the region. Regrettably, Washington has thus far shown no interest in this issue. It is not even contemplating a serious talk on the Pacific issue. If the issue is taken up, it inevitably leads to the trodden path of the "Soviet threat" and to sabre-rattling corroborating this myth.

Our approach to relations with the United States is well known. We are for peaceful, good-neighbourly, equitable relations, and mutually beneficial cooperation which offers, incidentally, considerable opportunities in the Far East as well as in the Pacific.

A few words concerning the most important aspect of our relations with the United States at present — on the termination of the arms race. Since the Geneva meeting the Soviet Union has put forward many large-scale proposals on the entire range of problems involved in reducing and eliminating arms and verifying this process. We have not noticed any movement to meet us even half-way. In fact, our proposals met the same response as before the Geneva summit.

In an attempt to overcome the standstill, we went a step further: new large-scale proposals of compromise were put forward in my June letter to the President of the United States. When visiting here, in the Far East, I received a reply from President Reagan. The

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reply sets one thinking and we have begun to study it. We shall treat it with responsibility and attention. The most important thing from our point of view is the extent to which the proposals contained in the letter meet the principle of equal security and whether they make it possible to reach effective joint solutions in ending the arms race and preventing its spread into outer space. We shall determine our further steps accordingly.

As far as a new Soviet-U.S. summit meeting is concerned, I can repeat: we favour such a meeting. But we are resolutely against interpreting the accords reached at the previous meeting in Geneva as a promise to have more meetings. No. The main thing on which we agreed last time with President Reagan and what we signed is the consent to strive for the normalization of relations between the USSR and the USA and for the improvement of the international situation, and to speed up the course of talks on the reduction of armaments. This should also be the purpose of a new summit meeting.

We frequently hear from abroad all kinds of stories to the effect that the Soviet Union is building up its military power in the east of the country. Let me state with full responsibility: we are not doing anything and shall not do anything over and above the level that corresponds to the minimal requirements of our own defence, and the defence of our friends and allies, especially in the light of the American military activity not far from our and their frontiers.

This applies in full measure to the medium-range missiles. Those who do not want to see the lessening of world tensions continue to allege that we will be able to move our SS-20 missiles from the west to the east and from the east to the west. This is why I emphasize one more time — we suggest that both American and Soviet medium-range missiles in Europe *be eliminated*. Eliminated — not moved somewhere else. This quite clearly promotes the interests of the Asian countries as well.

I would also like to state that the Soviet Union is a dedicated advocate of disbanding the military groupings, renouncing the possession of military bases in Asia and the Pacific Ocean and withdrawing troops from the territories of other countries. The USSR is a member of the Warsaw Treaty; but this is a European defensive alliance and it operates strictly within the stipulated geographical limits. In our turn we are strongly opposed to the U.S. attempts to extend NATO's "competence" to the entire world, including Asia and the Pacific Ocean.

Our views about security in the Asian-Pacific region did not come out of thin air. They take into account the experience of the past and of today. The principles of "Pancha Shila" and of Bandung have not sunk into oblivion. The positive examples of the truce in Korea, the 1954 Geneva meeting on Indochina, the Indo-Pakistani agreement in Tashkent live on in diplomatic experience. Nowadays, too, we have witnessed the efforts of a number of states to solve in practice common economic problems and the attempts somehow to regulate conflicts. In the activities of the ASEAN and in bilateral ties many positive steps have been taken. After the plan for a "Pacific community" had been rejected, the discussions began on the idea of a "Pacific economic cooperation". We approached this idea without bias and we are ready to join in the deliberations on the possible foundations of such cooperation; this is, of course, if it is not conceived in a forced, bloc-oriented, and anti-socialist pattern, but is rather the result of free discussion without any discrimination. The sufficiently vast arsenal of scientific and political ideas on the issue of establishing a new world economic order and the experience of integration in the West and the East could become a solid foundation for such discussions.

For an objective, however remote, we would like to propose a conference, in the mold of the Helsinki conference, to be attended by all countries gravitating towards the Ocean.

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When an agreement is reached on its convocation (if an agreement is reached at all, of course) it will be possible to establish the place for this conference. Hiroshima is a possible option. Why should that city, the first victim of nuclear evil, not become a "Helsinki" for Asia and the Pacific Ocean?

In summary, I would like to emphasize that we stand for integrating the Asian-Pacific region into the general process of establishing a comprehensive system of international security proposed at the 27th Congress of the CPSU.

What are our concrete views on this issue?

First of all, the issues of *regional settlement* inevitably arise. I'll speak of Afghanistan separately. Now let me speak of South-East Asia and Kampuchea. The Khmer people sustained terrible losses. That country, its cities and villages were victims of American bombing raids more than once. Through its suffering that country has earned itself the right to choose its friends and allies. It is impermissible to try and draw it back into its tragic past, to decide the future of that state in the distant capitals or even in the United Nations.

Here, as with other problems of South-East Asia, much depends on the normalization of Sino-Vietnamese relations. It is a sovereign matter of the governments and the leadership of both countries. We can only express our interest in seeing the border between these socialist states become again a border of peace and good-neighbourly relations, in seeing friendly dialogue resumed and the unnecessary suspicion and mistrust removed. It seems that the moment is right, and all of Asia needs this change.

In our opinion, there are no insurmountable obstacles in the way of establishing mutually acceptable relations between the countries of Indochina and ASEAN. Given good-will and the absence of foreign interference they could solve their problems which would simultaneously benefit the cause of security in Asia.

There is a possibility for not only relieving the dangerous tensions in the Korean peninsula, but also for beginning the solving of the national problem of the entire Korean people. As far as the truly Korean interests are concerned, there are no sensible reasons for evading a serious dialogue which has been proposed by the Democratic People's Republic of Korea.

Second. We are for blocking the proliferation and build-up of *nuclear weapons* in Asia and the Pacific Ocean.

As is known, the USSR has pledged not to increase the number of medium-range nuclear missiles in the Asian part of the country.

The USSR supports proclaiming the southern part of the Pacific, a nuclear-free zone, and urges all nuclear powers to guarantee its status in a unilateral or multilateral way.

The implementation of the proposal of the DPRK for the creation of a nuclear-free zone in the Korean peninsula would be a significant contribution. The idea of creating such a zone in South-East Asia has aroused well-deserved attention.

Third. We propose to start talks on the reduction of the activity of *naval forces* in the Pacific, in particular, nuclear-armed ships. Restriction of the rivalry in the sphere of anti-submarine weapons, specifically, the arrangement to refrain from anti-submarine activity in certain zones of the Pacific, would help strengthen stability. This could become a substantial confidence-building measure.

In general, I would like to say that if the United States gave up its military presence, say, in the Philippines, we would not leave this step unanswered.

We remain strongly in favour of resuming the talks on establishing *the Indian Ocean as a peace zone*.

Fourth. The Soviet Union attaches great importance to the radical *reduction of armed*

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forces and conventional armaments in Asia to limits of reasonable sufficiency. We realize that this problem should be tackled gradually, stage-by-stage, by starting with one certain region, say, the Far East. In this context the USSR is prepared to discuss with China concrete steps aimed at the commensurate lowering of the level of land forces.

Fifth. The Soviet Union believes that it is high time to switch to practical discussions on confidence-building measures and on the non-use of force in this region. Simpler measures could serve as the beginning, for instance, measures for the security of sea lanes in the Pacific, and for the prevention of international terrorism.

A conference to discuss and work out such measures could be held in one of the Soviet maritime cities. By the way, with time the question of opening Vladivostok to visit by foreigners could be solved. If the situation in the Pacific actually changes for the better, Vladivostok could become a major international centre, a commercial and cultural centre, a city for festivals, sports events, congresses, and scientific symposiums. We would like it to be our window opened widely on the East. And then the words of our great Pushkin "the ships of every flag and nation will hail our shores" will apply to Vladivostok as well.

And in conclusion, about Afghanistan. It was declared from the rostrum of the 27th CPSU Congress that we are ready to recall Soviet troops stationed in Afghanistan at the request of its government. As is known, the Party now firmly adheres to the principle that words should be confirmed by deeds.

Having thoroughly assessed the current situation and having held consultations with the government of the Democratic Republic of Afghanistan, the Soviet leadership has adopted the decision which I officially announce today: six regiments will be returned home from Afghanistan before the end of 1986 — one armoured regiment, two motorized infantry regiments, and three anti-aircraft artillery regiments — with their regular equipment and armaments. These units will be returned to the areas of their permanent deployment in the Soviet Union, and in a manner that these moves will be obvious to all those who take an interest in this.

Taking this serious step, of which we informed the states concerned in advance, including Pakistan, the Soviet Union is striving to speed up and give further impetus to a political settlement. The Soviet Union expects that those who organize and implement the armed intervention against the Democratic Republic of Afghanistan, will correctly understand and duly appreciate this unilateral step we have taken. It must be answered by the curtailment of outside interference in the affairs of the Democratic Republic of Afghanistan.

Certain progress has been achieved recently at the Afghan-Pakistani talks held through the mediation of a representative of the UN Secretary-General. As soon as a political settlement is finally worked out, the recall of all Soviet troops from Afghanistan can be accelerated. Schedules for their stage-by-stage recall have been agreed upon with the Afghan leadership.

But all who encourage and finance the undeclared war against Afghanistan and from whose territory it is waged, should know that if the intervention against the DRA continues, the Soviet Union will come to the defence of its neighbour. This position stems from our internationalist solidarity with the Afghan people and from the interests of the Soviet Union's security.

We support the policy of the present Afghan leadership aimed at national reconciliation and at widening the social base of the April National-Democratic Revolution. This includes the creation of a government in which would participate those political forces that have found themselves beyond the country's borders but who are prepared to participate sincerely in the nationwide process of building new Afghanistan.

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Comrades,

The present generations have inherited many difficult and painful problems. In order to reach a solution to these problems it is necessary to get rid of the burden of the past, to seek new approaches, guiding oneself by one's responsibility for the present and the future.

The Soviet state calls upon all Asian and Pacific nations to cooperate for the sake of peace and security. Everyone who strives towards these goals and who hopes for a better future for one's people, will find that we are willing to talk and are honest partners.

Mankind is living through a difficult and dramatic time. But it has a reserve of strength, which allows it not simply to survive, but also to learn to live in a new, civilized world, in other words, to live without the threat of war, and to live in freedom, when the highest criterion will be mankind's benefit and the maximum development of the individual's abilities. But this requires a persistent struggle against the common enemy — the threat of universal annihilation.

Mobilization of the existing potential of common sense and the partnership of reason are now more important than ever before to stop the slide towards catastrophe. Everyone can rest assured, all peoples in all countries, that our resolve to do our utmost for this cause remains unchanged.

This, in brief, is the state of our domestic affairs at present and the state of the general international situation, in the development of which the Asian and Pacific part of the world is to play an ever increasing role. We should draw practical conclusions from all this in order to act ever more vigorously to rebuild and improve our life.

Although there are no direct analogies in history, similar situations do arise. Therefore, we find past experience useful and edifying. In the article "Fourth Anniversary of the October Revolution" Lenin wrote:

"We have already started the necessary changes in our economic policy and already have some successes to our credit; true, they are small and partial, but nonetheless they are successes. In this new field of 'tuition' we are already finishing our preparatory class. By persistent and assiduous study, by making practical experience the test of every step we take, by not fearing to alter over and over again what we have already begun, by correcting our mistakes and most carefully analyzing their significance, we shall pass to the higher classes. We shall go through the whole 'course' . . ."

This is Lenin's advice, comrades, and a sample of his analysis with its typical depth, clear thinking and self-criticism. We are advised how we should act in the present situation, how we should go about rebuilding, so that we might complete the whole course successfully and bring our country to a qualitatively new level. It is our duty to make full use of Lenin's wise counsel.

I wish you every success and achievement in putting our plans into effect. I wish you happiness, good health and all the best in life.

I would like to take this opportunity to thank the people of the Soviet Far East for their kind words of trust and support, for their recommendations and suggestions, and for their warmth and cordiality. Thank you, comrades.

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Vietnam: Northernizing the South or Southernizing the North?*

MELANIE BERESFORD

"Northernizing" the South?

On both sides of the political spectrum it was a commonly held view, after the communist victory in April 1975, that the next phase of development in southern Vietnam would see a process of "northernization" — a remoulding of southern society after the pattern already existing in the Democratic Republic of Vietnam (DRV) north of the seventeenth parallel.

The logic of the position held by those of the political right, that the erstwhile Republic of Vietnam had been a legitimate, independent nation-state, was that the change of regime was a "conquest" of the south by the north. As a corollary, the period following this "conquest" was expected to be one in which the victorious north would attempt to impose its political, social and economic system upon an essentially unwilling south.

Even among those who took the opposite view of the nature of the Vietnam War, the common presumption in the aftermath of "liberation" was that the southern half of the country would embark upon a process of political, social and economic transformation to bring it into line with the system developing in the north since 1954.

Though allowing for some inevitable (but not fundamental) differences between the two regions, the leadership of the DRV seems to have shared this view. In the initial stages, the policies adopted towards the south mirrored those followed in the north twenty years earlier. Transformation was seen as proceeding in stages, the initial one being a period of recovery from the ravages of war. At this stage only the assets of foreign companies, comprador capitalists and other "enemies of the people" were nationalized.

Once the economy was on a more normal footing (though one cannot claim that all the long-term consequences of war have been overcome even now), a process of socialization was set in motion. As in the north where it was regarded as basically completed in three years (1958–60), this was expected to be achieved by the end of the 1976–80 Five-Year Plan.[1] It involved the creation of state and joint state-private industries in the modern sector, collectivization of agriculture and handicraft industries and the attempt to bring domestic circulation of goods under state control. During the transformation stage, class struggle was expected to continue, but there is no indication that the leadership regarded this process as especially problematical. Possibly the experience of China in the early 1950s in

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gaining control over the production and trade of Shanghai and the other former Treaty ports [2] was in their minds. The published documents of the Fourth Party Congress, held in December 1976, make almost no reference to special problems which might be encountered, and the description of the south in the immediate post-war phase is very sketchy indeed:

> In the South, socialist transformation has just begun; the exploiting classes remain; the poisons of the enslaving culture and the social evils caused by U.S. neo-colonialism as well as the influence of bourgeois ideology in society remain potent; the reactionaries are still operating against the revolution; the negative aspects of capitalism and the spontaneous character of small-scale production are still to be overcome.[3]

This sketchy picture is sharply contrasted by the quite detailed and critical analysis in the same source of the trends in north Vietnamese economy and society in the aftermath of the destruction wrought by the U.S. bombing campaigns.[4]

In many ways, the lack of detailed analysis of southern society by the 1976 Party Congress is understandable. It reflects a shortage of trained personnel familiar with conditions in the region as a result of the American-devised "Phoenix" programme for undermining the southern communist infrastructure by whatever means available. But there may also have been a feeling that the aspirations of the majority of southerners would in any case lead in the direction proposed, given the prior success of the National Liberation Front in mobilizing the support of peasants and urban workers alike.

The *economic* basis of unification of north and south was traditionally encapsulated in the notion of "economic complementarity". According to this thesis, the mineral and energy resources and heavy industrial capacity of the north would be complemented by southern agricultural and light industrial capacity.[5] The dislocating effects of the withdrawal of foreign aid[6] would, once recovery was under way, be at least partly offset by the exchange of the southern food surplus for northern industrial output and raw materials. Economic complementarity would thus provide the basis of a self-reliant industrialization. It is worth noting here that socialist economic theory, basing itself on Marx's reproduction schemes in Volume II of *Capital*, has always emphasized the "economic link" between industry and agriculture or, more particularly, between the production of investment goods and consumption goods.[7] The addition of southern agricultural resources to the north's industrial and mining capacity therefore seemed to enhance possibilities of a more "balanced" expanded reproduction for both regions.

Something else, which was not as clearly expressed, lay behind this thinking on re-unification. This was the assumption of much Marxist development theory that modern industry fulfils the role of a leading sector in economic development and, within industry, that branch which produces the means of production is the key. The presumption was, then, that the north, with its superior level of industrialization, especially in capital goods (which are usually conflated with "heavy

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industry''), would provide the main economic impetus for the development of the whole country once political unification was achieved. Moreover, since the modern industry of the north was predominantly socialist and almost wholly so in the capital goods branch, it was also felt that *socialist* relations of production would dominate the ''commanding heights'' after unification. Predominantly collective, or even private, ownership of the means of production would be relegated to the ''more backward'' agriculture and handicraft sectors.

Here again lies a rather unsophisticated view of economic unification — it is reduced to a simple extension of the socialist industrialization process across the whole country, gradually absorbing the less developed sectors (that is, southern agriculture) into more ''socialist'' forms of ownership and distribution. Obstacles to unified development then become of a more technical rather than social nature: chronic shortage is due to underdevelopment (that is, lack of industrialization); lack of transport facilities hold up the development of north-south exchanges; the U.S. economic blockade and the Chinese aggression are seen as further, external, constraints on development as, indeed, are the long-term legacies of the war.

All this is important enough, but as will be argued below, in some respects the economic system of the south could not be regarded as ''more backward''. The special *social* conditions of the south which flow from this have provided a key obstacle to the simple transfer of a ''northern model''.[8] Yet, faced with an economic and political crisis in the south brought on directly by poor harvests, an escalating war with Pol Pot's Cambodia, the U.S. economic blockade, the power of the local commercial bourgeoisie to subvert pricing and distribution policies and, indirectly, by deteriorating relations with China and the weakened post-war condition of the north, the authorities responded in 1978 with a campaign to step up the rate of socialization. When this, at best, produced none of the desired effects on the state's ability to mobilize agricultural surplus and Vietnam's problems were intensified by the outbreak of war with China, the outflow of ''boat people'' and the need to support devastated Cambodia, the situation demanded re-evaluation and reform.

''Southernizing'' the North?

The need to deal with a quite different type of society from that which had existed in the north in 1954 coincided with the exposure of a number of serious weak points in the northern system itself and the combination of these has served to bring about considerable re-thinking and debate among Vietnamese economists and policy-makers. How far this process goes will be a major factor influencing the future shape of Vietnamese socialist society. At present, there is a deeper recognition of the special nature of the south, and the process of critically evaluating the economic performance of the north has also led to a more positive evaluation of previous southern development. Whereas earlier evaluations tended to concentrate on the ''poisonous'' effects of ''neo-colonialism'', more recently the focus has been on the higher productivity of southern peasants and their greater responsiveness to economic, market-type incentives.[9] At the same time, aspects of the ''southern

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disease'' have appeared in the north. Corruption, inflation and unemployment are among the social ills, relatively successfully suppressed before 1975, which have made an appearance in recent years — most especially in the wake of the reforms.[10]

Although the Vietnamese have proceeded along the path of reform with greater caution than in China, there are undoubtedly those who feel that the much greater rein given to market forces, household and enterprise-level production initiatives, and individual incentives, pose a threat to the ultimate objective of socialization. The fear of ''kulakism'', or the resurgence of capitalism in the countryside, has dogged this type of reform since Lenin's New Economic Policy. It is expressed, for example, in the argument of Ngo Vinh Long that social differentiation in the countryside of the Mekong delta has continued since 1975 in spite of the land readjustment schemes carried out by the government.[11] Moreover, the rate of economic growth in the south has probably outstripped that of the north in recent years. The evidence for this is fragmentary, but a few figures given below lend support. One journalist, noting the greater interest of various non-CMEA trade delegations in visiting Ho Chi Minh City than Hanoi and the choice of the former city as the site of a Japanese trade fair, put it down to the greater ''tradition of free-enterprise'' of the southerners which, according to him (but in contrast to my own evidence of three months earlier), was causing anxiety among officials in the capital over its ''unhealthy degree of independence for a supposedly conquered city''.[12]

Grain output had grown quite rapidly in the south during the closing years of the war (rice output grew at over 8 per cent per annum between 1969 and 1974).[13] This was undoubtedly due to the relative peace restored to the rural areas with the scaling down of guerrilla warfare and the U.S. withdrawal as well as to increased peasant investment in modern inputs and machinery. The average rate of increase continued to be high in the period 1975–80 for both rice and food-grain production as a whole (6.1 per cent and 6.0 per cent per annum respectively), in spite of the reductions of 1977–78. In this case the star provinces were the four southernmost of the central coastal region (Quang Nam-Da Nang, Nghia Binh, Phu Khanh and Thuan Hai) which averaged 12 per cent per annum growth of food-grain, compared with 4.9 per cent for the Mekong delta provinces.[14] Livestock numbers have also tended to grow at a faster rate in the south (and well above the population growth rate of about 2.4 per cent), as shown in Table 1.

At the same time, grain production in the north was suffering from stagnation. While total food production rose by only 2.4 per cent per annum in 1975–80 (thus barely keeping up with population growth), rice production actually fell by 2.1 per cent per annum. Again there is regional variation, with the three core Red River delta provinces showing much better results on the food-grain front (though not in rice alone). Since the introduction of the reforms in 1979, however, the north would appear to have made considerably better progress in agriculture, especially in the north-central provinces of Thanh Hoa, Nghe Tinh and Binh Tri Thien. Grain output reportedly grew at 5.7 per cent per annum (9.1 per cent for rice) in 1980–84

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TABLE 1
LIVESTOCK POPULATIONS, 1975–84

	Total Nos.		*Rates of Growth (%)*			
			North		*South*	
	1975	*1984*	*1975–80*	*1980–84*	*1975–80*	*1980–84*
Buffalo	2193.9	2545.7	-0.2	1.6	6.7	4.9
Cattle	1485.7	2405.0	1.1	11.8	3.0	8.3
Pigs	8800.7	11765.3	-0.3	3.4	9.9	5.6

SOURCE: Tong Cuc Thong Ke, *So Lieu Thong Ke 1930–84* (Hanoi, 1985), pp.121–24.

TABLE 2
STRUCTURE OF POPULATION, CULTIVATED AREA AND OUTPUT
(1976 and 1984)

	Population		*Cultivated Area*		*Output of Food-grain*	
	1976 %	*1984* %	*1976* %	*1984* %	*1976* %	*1984* %
North	52.5	51.6	47.3	46.4	47.3	41.7
South	47.5	48.4	52.7	53.6	52.5	58.3
Red River Delta	12.7	12.1	12.0	11.0	15.8	12.3
Mekong Delta	21.7	23.1	34.3	34.1	36.1	39.6
Central Coast	24.9	24.9	22.6	23.4	19.3	21.1

SOURCE: Tong Cuc Thong Ke, *So Lieu Thong Ke 1930–84* (Hanoi, 1985), pp.13–14, 89–91.

compared with the southern figure of 5.5 per cent (6.5 per cent for rice). The growth rate of the southern central provinces has slowed down, but that of the Mekong delta has accelerated.

It should be noted that the southern region, especially the Mekong delta, has a higher land to population ratio than the north (see Table 2) and more extensive, rather than intensive, farming has been practised. Much of the growth in output between 1975 and 1980 can be accounted for by an increase in the cultivated area, and yields per hectare tended to decline in that period (by 0.6 per cent over the whole south).[15] However, in both north and south, particularly in the latter, the period after the reforms has seen an acceleration in growth of yields and the area under grain cultivation in the south has declined. This suggests that the reforms have had a positive effect on the intensity with which the land is farmed:

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TABLE 3
OUTPUT PER CAPITA OF FOOD-GRAINS, 1976–84
(in kilograms)

	North (a)	*South (b)*	*Red River Delta (c)*	*Mekong Delta (d)*	*Central Coast (e)*
1976	247	304	341	457	213
1979	228	295	295	400	220
1982	258	331	354	467	248
1984	246	366	308	511	257
Growth rate per annum (%)	0	2.3	-1.3	1.4	2.4

Notes: (a) Includes provinces from Binh Tri Tien northwards and therefore includes a small portion south of the seventeenth parallel;
(b) includes Quang Nam-Da Nang southwards;
(c) comprises 3 provinces of Hai Hung, Thai Binh and Ha Nam Ninh and excludes other provinces which have significant midland areas as well as deltaic plain;
(d) includes Long An, Dong Thap, Tien Giang, Ben Tre, Cuu Long, An Giang, Hau Giang, Kien Giang and Minh Hai;
(e) includes Thanh Hoa, Nghe Tinh, Binh Tri Tien, Quang Nam-Da Nang, Nghia Binh, Phu Khanh, and Thuan Hai.

SOURCES: Tong Cuc Thong Ke, *So Lieu Thong Ke 1930–1984* (Hanoi, 1985), pp.13–14, 90–91; *So Lieu Thong Ke 1982* (Hanoi, 1983), pp.11–12, 56–57; and *So Lieu Thong Ke 1979* (Hanoi, 1980), pp.11–12, 56–57.

In spite of the recent gains in total output in the northern zone, per capita food-grain production is shown to have recorded a far more substantial increase in the south, according to calculations from official data in Table 3. Per capita output is used here as an indication of the ability of the different regions to produce a marketed surplus — over and above immediate consumption requirements — thereby contributing to the growth of the economy as a whole. Although the country as a whole has barely achieved grain self-sufficiency, substantial surpluses are already being produced in the Mekong delta.[16] So far, then, the south has lived up to its potential as far as the "economic complementarity" thesis is concerned, but it is the distribution of these surpluses among the regions which accounts for the resultant pattern of growth.

Unfortunately, there is very little data available on the growth in volume of domestic trade at the regional level. As far as the pattern of circulation of goods by the regions is concerned,[17] an apparent decline in the volume of goods transported in north Vietnam may be due to the transfer of some trade to the central Transport Department or to individual households and, conversely, the rapid growth in the

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south since 1980 may be due to the state and collectives taking over from private transport. It is difficult to draw any conclusions, therefore, about the relative growth in the total volumes of goods in circulation in the two zones. There are no data available on the circulation of goods between the zones. While some fragmentary evidence exists as to the transfer of considerable quantities of raw materials, equipment and personnel to the south in the early period after 1975,[18] there is no evidence at all of substantial shipments of grain from the southern surplus areas to the northern deficit areas (particularly the cities). The author was told in Hanoi that the lack of adequate transport facilities hampers such an operation. It is therefore likely that circulation of southern agricultural surpluses is chiefly confined to the immediate Mekong delta-Ho Chi Minh City region.

The argument that unification would be followed by "exploitation" of the south by the north is certainly not supported by this evidence.[19] If anything, it would appear that the burden of sustaining the economy of the south in the immediate aftermath of war was placed squarely on the shoulders of the northern population.

Ho Chi Minh City has traditionally been a centre of light industry and the majority of the industries established there prior to 1975 catered to the domestic consumer market. (With the exception of the Ha Tien cement plant, there were no major capital goods or intermediate goods installations in the entire south.) A period of restructuring and retooling necessitated by the withdrawal of Western sources of raw materials and spare parts after 1975 may have been made easier by the relatively low capital intensity of these industries — in contrast to the problems of bomb-destroyed heavy industrial capacity in the north. Rapid growth of export industries in Ho Chi Minh City and elsewhere in the delta has also facilitated the acquisition of imported agricultural inputs. The existence of high marketed surpluses in the delta has fuelled the growth of these industries and vice versa.

It has not been possible to obtain any breakdown of industrial growth along north-south lines.[20] Group A industries (producing capital goods) are mainly in the north (notably coal, steel, chemical fertilizers, machine tools, and most cement). In 1976–80 these grew in real terms at an average of 3.8 per cent per annum and this has increased to 9.9 per cent in 1980–84. Group B (consumer goods), on the other hand, grew at only 1.6 per cent per annum in real terms in the earlier period (a per capita decline), but by specializing in light industry (Group B loosely defined), the south has benefited from the high real growth rate of 18.4 per cent per annum in 1980–84 in this group. Although the north also has some important Group B installations (such as in textiles and paper), its overall industrial growth rate is pulled down by the sluggish performance of some industries into which a lot of investment has been sunk — coal, steel, and machine tools, for example.

The Reality of Economic Unification

The initial stages of the unification process highlighted the difficulties encountered in the attempt to apply the "north Vietnamese model" to the south. As some of the

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most important social classes of the south proved somewhat resistant to the first efforts at socialization and, at the same time, the "northern model" itself entered a period of crisis, political pressure built up for a number of fundamental policy changes. The results of the changes that have been introduced so far are that while the immediate crisis has been overcome and normal growth rates resumed in the whole country, the south appears to have surged ahead in the growth stakes and, at the same time, the rate of socialization of the economy seems to have slowed (or, as some would argue, reversed in the case of the north). The question is inevitably posed whether the "entrepreneurial spirit" of the Saigon regime has, after all, proved superior to the collectivism of the north?

In answering this question we need, first of all, to understand the nature of the economic crisis in the north, and what caused the problems of collectivization in the south during the 1970s.

In the north, the root of the crisis lay in severe imbalances between industry and agriculture and between heavy industry and light industry. Although agriculture produced over 40 per cent of the national income of the DRV, industrial development was not really geared to encouraging its growth, and hence its ability to provide a higher marketable surplus. Large investments were made in the construction of a steel industry, machine tools, and rolling stock, from which few backward linkages resulted. Little attention had been paid to encouraging the growth of industries based on domestically produced raw materials (agricultural and marine products, for example). Within industry, the heavy industry sector grew from 27 per cent of output in 1955 to 43 per cent of a much larger output in 1975, and had received well over three quarters of investment in industry.[21] However, this heavy industrial sector suffered severely as a result of the U.S. bombing campaign from 1965 to 1968. Of 15 major products of Group A, only 5 had output levels above their 1965 levels by 1970 and 6 had not recovered by 1974 (including coal, cement and apatite ore mining, the basis of the fertilizer industry). Among the 10 major products of Group B, half were producing at levels below those of 1965 in the early 1970s.[22] And as we have seen, agricultural output and productivity had also stagnated. Moreover, high rates of investment in heavy industry resulted in the tying up of resources over long periods before the projects came on stream. They thus created new demands (for inputs and wage goods) which could not be satisfied. The combination of these factors led to an economy characterized by acute shortages of all kinds of goods — shortages which were partially disguised during the closing years of the war by injections of Chinese commodity aid which, of course, was subsequently discontinued.

The heavy industrial base of the north was thus not well equipped at the end of the war to take on the role assigned to it according to the "economic complementarity" thesis. Nor did the situation improve very much in the first five years after the war. The difficulties were compounded by having to fight wars with Democratic Kampuchea and China, and the seriousness of the international situation after 1975 probably exacerbated the consequences of inadequate policies. Although heavy industry's share of investment fell (very slightly) and those of

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agriculture and light industry rose a little,[23] the assessment of the Fifth Party Congress, held in 1982, was that too many new projects had been started without sufficient regard to their economic effectiveness and without paying attention to the demands arising from existing productive activity (for a better supply of inputs and consumer goods).[24] Utilization of industrial capacity was evidently averaging only 45–50 per cent in mid-1982, only 25–30 per cent of agricultural machine capacity was in use, and less than 30 per cent in transport, as a result of shortages of raw materials, compatible spare parts and machinery, and skilled workers.[25]

A restructuring of investment priorities was undertaken, in which the effort was to be concentrated in a few areas: energy supply, transport and communication, consumer goods, agriculture and exports.[26] Thus, although paradoxically the rate of investment in heavy industry did not fall during the Third Five-Year Plan of 1981–85, but in fact rose higher than ever (to 84–85 per cent of centrally-planned industrial investment in 1981–82, according to official data), it was heavily concentrated in the construction of electric power generating capacity (30 per cent of industrial investment). This is presently a major bottleneck. A further 18 per cent of industrial investment went to the industries producing machinery and inputs for agriculture.[27]

At the same time as these shifts in investment priority have taken place, there has been a renewed emphasis on ensuring effectiveness in the use of investment funds. Managers have been urged to use "economic accounting" (that is, average costs of production must be taken into account in setting industrial prices and profit margins). And enterprises are permitted to retain a higher share of their profits for internal use. This is designed to stop the production of unsaleable goods and other forms of waste such as hoarding of materials. The contract system is to be applied wherever possible, on construction sites and in industry as well as agriculture to increase labour productivity by the payment of piece-rates. In fact, this type of reform seems to be easier to implement in the south, where fewer vested interests exist within the bureaucracy to preserve the old system of management and organization of the labour process.

Nevertheless, as the northern industrial base becomes more stable it will play an important role in sustaining the dynamism of the economy as a whole. About a quarter of the fertilizer used in the country, for example, is now produced domestically.[28] To the extent that this locally produced fertilizer reaches the south, it can be said to underpin the prosperity of that area. Looking at the economy in a dynamic perspective, then, the gradual achievement of a better balance between the inputs and outputs should bring about a closer economic relationship between north and south in which the northern industrial base plays a more integral part.

A second aspect of the relative lack of dynamism shown by the northern economy between 1965 and 1980 derives from the effect of the imbalances described above on the rural sector itself. In the mid-1970s, the complaint was often voiced that the northern villages were characterized by autarky.[29] While this was undoubtedly a useful attribute during the war years — enabling the rural population to survive while massive resources were diverted to the war effort — it

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became an obstacle to rapid economic growth in the post-war period. The small size of the marketed surplus in the rural economy was reinforced by the shortage of consumer goods and essential inputs for which peasants could exchange their produce, and this in turn restricted the growth of agricultural output.

The breaking down of village (or household) autarky in the northern villages, however, has goals additional to the promotion of economic growth, which relates to the question of socialization of the forces and relations of production. Socialization of property relations has already proceeded quite far in the northern countryside, but this has not been accompanied by a commensurate increase in the social division of labour (that is, the development of specialized production for exchange rather than for self-sufficient consumption). For orthodox Marxists (but not Maoists), the development of the division of labour and hence increased *interdependence* of individuals in their relations of production and exchange forms the economic basis for the socialization of property relations. Hence, it is important, from a political point of view, to bring about increased commoditization of northern agricultural production. Only by developing exchange between industry and the co-operatives and by making the peasantry dependent on industrial products is it considered possible to overcome parochialism and consolidate peasants' commitment to collective ownership of land and means of production.

In the south, in spite of the low rate of investment in industry under the Diem-Thieu regimes, the social division of labour was far more extensively developed. This was already the case under the French, and during the twenty years of American occupation it was further developed by the availability of huge quantities of commodity aid. Moreover, a series of land reforms and rent reductions carried out by the Viet Minh and National Liberation Front (at first in opposition to the Saigon regime, and later ratified by it during the Land-to-the-Tiller programme of 1970) had, from 1946 onwards, progressively left agricultural surpluses in the hands of the peasants themselves.[30] Where the old landowning class had shown little interest in re-investing surpluses, the newly emerged class of smallholders behaved quite differently. Coupled with the widespread availability of imported commodities, this resulted in a rapid increase in the social division of labour in the countryside (that is, in the commoditization of production) and, where war did not intervene, contributed to the (albeit unevenly spread) growth of production.[31]

Withdrawal of the American aid prop after 1975 created severe structural problems for both industry and agriculture in the south. Cessation of the consumer bonanza led to reductions in the marketed surpluses, especially those surpluses which the state hoped to acquire in accordance with its goal of socialization of trade. The existence of a strong private commercial sector in the south made administrative pricing policies, as practised in the socialist north, unworkable. Undiminished urban demand for rice was met by peasant refusal to sell adequate amounts at the low state price.

Collectivization of agriculture was seen as a way by which production could be increased and surpluses concentrated in the socialist sector, but this too ran into

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early problems. In the north, the increases in output and yields achieved by the collectives between 1960 and 1965 had been largely the result of labour accumulation projects, mainly hydraulic works. These had enabled a big increase in cropping intensity and the productivity of land and labour, but the returns had later diminished. Further re-organization of labour (under the contract system), adjustments to prices and an increased supply of inputs, were necessary prerequisites to any renewed growth.[32] Nevertheless, the collectively organized labour accumulation projects had been vital in raising the living standard of the north Vietnamese peasants beyond the threat of famine. By contrast, in the Mekong delta in 1975, output and yields were already high enough to ensure a reasonable living standard for the vast majority of peasants and the acute shortages of goods for which to exchange their produce held little incentive to increase output. As even many state-supplied inputs found their way onto the free market (at a price reflecting their scarcity), the incentive to produce surpluses for the state within the collective structure was virtually non-existent.

The drive to complete collectivization of southern agriculture by 1980 was abandoned in the face of this situation and a more gradual and flexible policy was instituted. Price reforms were undertaken in order to bring prices paid by the state closer to those prevailing in the free market. Contracts were introduced in the collectives and with individual farmers in order to improve the ability of the state to purchase part of the output at fixed prices, while encouraging rising labour productivity by allowing households to retain above-contract output for sale at negotiated prices or on the open market. Similar moves were made to decentralize production initiatives in the industry and handicraft sectors to promote an increased supply of consumer goods and exports. Since the beginning of the reform process, the state has tried to retain or improve its exclusive control only over certain "commanding heights" of the economy and to control trade in a handful of key commodities.

These measures of economic "liberalization" should not be seen as stepping back from the goal of socialization (temporarily or otherwise). It seems, rather, that an alternative route is being proposed, one which takes advantage of the greater responsiveness of the southern peasants to market stimuli. On the one hand, the reforms have clearly helped to eliminate a serious destabilizing situation of shortages of food and other consumer goods which forced people to turn increasingly to the black market and exacerbated social inequalities and dissatisfaction with the government. On the other hand, they have provided the state and collective institutions with greater opportunities for mobilizing surpluses.[33] Positive incentives now exist for peasants to join collectives (for example, in order to obtain supplies of imported fertilizers) and negotiated prices are calculated to allow a generous profit margin and to take account of supply and demand factors (without being governed by fluctuations in these) in order to promote above-quota sales to the state. Moreover, definite measures can be taken by using taxation and pricing policy to push economic activity in certain directions: for example, to check the rate of growth of private trading and encourage small-scale production.

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In the face of administrative measures to increase the level of socialization of ownership in the late 1970s, at a time when they were facing shortages of inputs and consumer goods, the southern peasants appear to have begun to retreat towards autarky. *Per capita* output of food-grain declined and the state experienced difficulties in procuring adequate supplies for urban populations. The result of the economic reforms has been not only to restore the rate of growth of output and surplus mobilization, but the greater reliance on economic incentives to draw peasants into the collectives has also proved more successful than the previous policy.[34] Although the process has, as yet, developed unevenly, on account of the wide variation in conditions in the south, progress has been considerable.

Conclusion

It should be clear by now that the answer to the question posed in the title of this paper is "both". With the benefit of hindsight, it scarcely seems plausible that the merging of two different social systems and economies of almost equal weight could have resulted in the sort of "one-way" transformation outlined in the first section of the paper. The fault seems to lie, in the case of the political right, in an underestimation of the desire for national reconciliation, the flexibility and willingness to learn from past mistakes of the Communist Party leadership (albeit with internal differences) and, on the left, with a serious underestimation of the degree of socio-economic transformation wrought in the south during twenty years of separation. While the negative aspects of these changes were well understood — dependence, living beyond the productive capabilities of the country, and so on — the positive aspects were not. These positive aspects can be summarized under the heading of a more advanced "social division of labour", or commoditization of the whole economy.

The political dominance of the CPV and its broad popular support has enabled it to ride out the crisis of the late 1970s and sustain the movement towards its goal of socialism. The economic weaknesses of the DRV which have carried over during the early period of re-unification — especially the lower degree of exchange between industry and agriculture and the problems of shortage in the industrial sector itself — have been counter-balanced by the ability of the south to recover rapidly and assume a dynamic role, although this has in turn depended on a redirection of investment priorities and the introduction of policies designed to utilize economic incentives instead of administrative planning. In the north, which had already achieved socialization of ownership, the reforms have promoted an increased social division of labour, particularly between industry and agriculture, and helped to resolve some of the acute structural disproportions caused by war, economic blockade and excessive investment in large-scale projects. Provided this trend can continue, the recovery of the northern industrial structure will assist the maintenance of high growth rates in the south by providing increased supplies of raw materials and equipment. On the other hand, the improved availability of

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southern agricultural surpluses and consumer goods output as a result of the reforms has given renewed impetus to the movement towards socialization of the relations of production. The more these two movements develop, the more we will be able to speak of a unified Vietnamese economy.

NOTES AND REFERENCES

*This paper was originally prepared for the Asian Studies Association of Australia's Sixth National Conference, Sydney University, 11–16 May 1986.

1. See Le Duan's Political Report to the Fourth Party Congress, held in December 1976, which stated that a principal task of the Second Five-Year Plan was to "achieve basic *socialist transformation* in the South". Communist Party of Vietnam (CPV), *4th National Congress Documents* (Hanoi: Foreign Languages Publishing House, 1977), p. 63.
2. Described in Xue Muqiao, *China's Socialist Economy* (Beijing: Foreign Languages Press, 1981), pp. 20–30.
3. CPV, op.cit., p. 42.
4. Ibid., pp. 27–34, especially pp. 31–34.
5. See Le Chau, *Le Vietnam socialiste: une economie de transition* (Paris: Maspero, 1966), p. 243.
6. Commodity composition of foreign aid to the DRV between 1955 and 1964 is given by Vo Nhan Tri, *Croissance Economique de la Republique Democratique du Vietnam* (Hanoi: Eds. en Langues etrangeres, 1967), pp. 557–58. The data show that while the share of consumer goods was large during 1955–57, capital equipment and raw materials dominated in the later part of the period — forming well over 90 per cent from 1960 onwards. After 1964 there are no comparable data from the north, but the share of consumer goods in total imports rose from 22.2 per cent in 1964 to 32.2 per cent in 1974 (Andrew Vickerman, "A Note on the Role of Industry in Vietnam's Development Strategy", *Journal of Contemporary Asia* 15, no. 2 [1985], p. 229). For the south, the structure of imports, financed largely under the U.S. Commodity Import Programme, were, in 1960–64: capital goods 17 per cent, intermediate goods 43 per cent, consumer goods 40 per cent; and in 1965–72: capital goods 17 per cent, intermediate goods 35 per cent, consumer goods 48 per cent (Vien Khoa Hoc Xa Hoi, *Tinh Hinh Kinh Te Mien Nam* [Ho Chi Minh City, 1979], p. 47).
7. See, for example, the Soviet industrialization debate, important contributions to which can be found in N. Spulber, *Foundations of Soviet Strategy for Economic Growth* (Bloomington: University of Indiana Press, 1964).
8. The main argument is presented in more detail than is possible in this paper in M. Beresford, "Agriculture in the Transition to Socialism: the case of South Vietnam", in *The Primary Sector in Economic Development*, edited by Mats Lundahl (Proceedings of the Seventh Arne Ryde Symposium, Frostavallen, 29–30 August 1983) (London: Croom Helm, 1985).
9. This view is largely based upon my interviews with officials in Hanoi in October 1985.
10. See, for example, BBC, *Summary of World Broadcasts*, FE/8163/B/2, a January 1986 article in *Nhan Dan* on "serious" unemployment in Hanoi. While these problems are also well known in other socialist countries, they were certainly more deeply entrenched in southern society before 1975 than in the north.
11. "Agrarian Differentiation in the Southern Region of Vietnam", *Journal of Contemporary Asia* 14, no. 3 (1984): 289–96. As is so often the case in studying Vietnam, the data on which Long's argument is based are rather patchy and the subject needs further investigation.

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12. Chris Mullin, *Far Eastern Economic Review*, 20 February 1986, p. 63.
13. Calculated from data in Vien Khoa Hoc Xa Hoi, op.cit., p. 136.
14. Data on rice and food-grain output for 1976–80 and 1980–84 come from Tong Cuc Thong Ke, *So Lieu Thong Ke 1930–84* (Hanoi, 1985), pp. 90–91, 96–97.
15. Ibid., pp. 89–91.
16. The physical subsistence minimum is generally taken as 240 kg. of paddy equivalent in Vietnam. However, this figure does not take account of waste during storage and transport (about 10–15 per cent of the crop according to an official of the Ministry of Agriculture), seed requirements, and the fact that the grain also has other uses (for animal fodder, alcohol) which leads peasants to keep extra stocks rather than market them. Although some sales will take place even below the 240 kg. mark, in order to obtain other essential commodities, substantial increases in marketed surpluses (and especially in peasant willingness to undertake production specifically for sale) will tend to be hampered at output levels below some socially defined subsistence minimum (perhaps as high as 400 kg.).
17. *So Lieu Thong Ke 1930–84*, pp. 138–39.
18. See, for example, BBC, *Summary of World Broadcasts*, FE/W853/A/29, 19 November 1975; FE/W862/A/32, 28 January 1976; FE/W873/A/32 and A/40–41, 14 April 1976; FE/W875/A/27, 28 April 1976.
19. Cf. the argument of G. Nguyen Tien Hung, who elevated the north's food deficit to the virtual *raison d'etre* of its struggle for re-unification: "If the economic relationship arising from this [economic] complementarity is beneficial to South Vietnam, it is essential to North Vietnam. . . . North Vietnam depends heavily on South Vietnam to compensate for its food shortage." *Economic Development of Socialist Vietnam, 1955–80* (New York: Praeger, 1977), p. 15.
20. Data in this paragraph is calculated from *So Lieu Thong Ke 1930–84*, p. 40.
21. Vickerman, op.cit., p. 228; Nguyen Tien Hung, op.cit., pp. 123, 142.
22. Nguyen Tien Hung, op.cit., p. 144; Vo Nhan Tri, op.cit., p. 231; Vien Kinh Te Hoc, *35 Nam Kinh Te Viet Nam 1945–1980* (Hanoi: Nha Xuat Ban Khoa Hoc Xa Hoi, 1980), p. 97.
23. *So Lieu Thong Ke 1979*, pp. 39, 41, 44; *1982*, pp. 39, 41, 44; *1930–84*, pp. 75–76.
24. CPV, *Ve Congres National: Rapport Politique* (Hanoi: Eds. en Langues etrangeres, 1982), esp. p. 26.
25. Hoang Duc Nghi, "Making Rational and Economic Use of Material Resources Within the National Economy", *Tap Chi Hoat Dong Khoa Hoc*, No.7 (July 1982), translated in Joint Publications Research Service (JPRS), *Vietnam Report*, No. 2405, p. 21.
26. See, for example, interview with Nguyen Co Thach, *Far Eastern Economic Review*, 29 January 1982, p. 49.
27. Interview with Nguyen Huu Tho, Hanoi, October 1985.
28. Ibid.
29. See, for example, *Ve Congres National*, p. 58.
30. See Beresford, op.cit..
31. Ngo Vinh Long, op.cit., p. 287, estimated that as much as half of the rice output in the Mekong delta was marketed in the late 1960s.
32. M. Beresford, "Household and Collective in Vietnamese Agriculture", *Journal of Contemporary Asia* 15, no. 1 (1985).
33. Reports on falling grain procurement in the south and on the low rate of procurement compared with total output can be found in JPRS, *Vietnam Report*, No. 2176, p. 8; No. 2191, p. 15, and No. 2198, p. 44, being translations of Vietnamese reports from late 1979 and early 1980. Reports from late 1984 and early 1985, however, suggest that grain procurement targets are now being met in most areas. See BBC, *Summary of World Broadcasts*, FE/W1314/A/23, 21 November 1984, and FE/W1333/A/27, 10 April 1985. Grain procurement in the whole country has risen from 14.5 per cent of output in 1975 to 21.6 per cent in 1984, and for pork meat the figures are 33.2 per cent and 38.9 per cent respectively (*So Lieu Thong Ke 1930–84*, p. 161).
34. Reports on the slow rate of collectivisation in the Mekong delta in 1978 and 1980 can be found in

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JPRS, *Vietnam Report*, No. 2058, p. 43, and No. 2189, p. 11. At the end of December 1985 it was reported that 87.2 per cent of households and 85 per cent of land in the south had been collectivised (*Summary of World Broadcasts*, FE/W1372/A/36, 15 January 1986). However, it should be noted that the majority are not yet in full cooperatives as is the case in the north.

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The Soviet Union in Southeast Asia: National Perspectives from the Region*

BILVEER SINGH

Introduction

It is often tempting to describe Soviet-Southeast Asian relations as if a single view exists. Equally prevalent is the belief that the ASEAN (Association of Southeast Asian Nations) countries are unanimous in opposing Soviet "expansionism" in the region. While this statement may be true in general terms, differences in nuances and, at times, genuine clashes of interest drastically alter this basic scenario. This paper aims to analyse the ASEAN member states' perspectives on Soviet involvement in the region, especially in terms of how they perceive the "Soviet threat". As for the views of the Indochinese states, especially Vietnam, and Burma, it is only possible to make educated guesses because relatively little is known about the goals and perceptions of their leaders. But whenever the term Southeast Asia appears in the paper, it refers to all regional countries except when specific reference is made.

The Soviet Union and Southeast Asia

Following World War II, the Soviet Union demonstrated scant interest in Southeast Asian affairs. The failure to support either communist or non-communist-led nationalist movements in the region, manifest in its refusal to recognize the Ho Chi Minh government in North Vietnam until January 1950, was one dimension of this policy. By the 1950s, however, a change could be discerned, beginning during the last days of Stalin.[1] Khruschev, Stalin's successor, was principally instrumental in operationalizing the Soviet "new look" towards the region. From the mid-1950s to mid-1962, the Kremlin focused its attention on Indonesia, exploiting Jakarta's need for great power support in its struggle for the "liberation" of West Irian. However, following the resolution of this dispute, in which the Soviet Union played no direct role, Soviet-Indonesian relations soured largely as a consequence of the decisions of Sukarno and the Indonesian Communist Party (PKI) to back Beijing in competition with the Soviet Union. This change in Soviet fortunes in Indonesia crystallized in 1965 and was a bench-mark in Soviet policies towards the region.

Following the failure of the September–October 1965 "coup" in Jakarta, the PKI was militarily and politically crushed, leading to the political death of Sukarno as well as the rise of the military to dominance in the country. This had a number of ramifications for Soviet policy in Southeast Asia. Firstly, it relieved Moscow of the burden of supporting (if not materially, at least diplomatically) an

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erratic regime whose policies more often than not embarrassed Moscow in world forums. Secondly, following the winding down of *konfrontasi* by the new Indonesian leadership under Suharto, the way was opened for Moscow to establish normal relations with Malaysia and Singapore. The collapse of the Sukarno regime also marked the end of the "Jakarta-Beijing axis" and hence a political victory for the Soviet Union over the People's Republic of China (PRC). At the same time, the crushing of the PKI confirmed the Soviets' wisdom in dealing with governments in the region rather than attempting to gain influence in pro-Chinese revolutionary movements. The Cultural Revolution in China led to a rise of "extreme left" policies in Beijing which indirectly gave the Soviet Union an opportunity to present itself as a reasonably moderate external power and as a balance to the "Chinese danger".

In 1965, too, the American escalation of the war in Vietnam provided Moscow with a favourable situation to entrench itself in mainland Southeast Asia. In addition to opposing "American aggression" against a "Third World socialist state", Hanoi's needs for more sophisticated weaponry to counter U.S. bombing raids were exploited by Moscow to gain an edge in the Sino-Soviet competition in Vietnam. By providing modern weapons, which was beyond Beijing's capability, Moscow hoped to influence Hanoi to adopt conventional war tactics, as opposed to Maoist "peoples' war", against the Americans, as well as increasing Hanoi's dependence on Moscow. These developments provided the new Brezhnev-Kosygin regime in Moscow with an opportunity to involve itself in Southeast Asia. Vietnam became the new regional focus of Soviet interest.

Additional impetus for change in Soviet attitudes towards the region was provided by a series of developments in 1969. The most important of these was the intensification of Sino-Soviet rivalry. In March 1969, the conflict took on a military dimension with clashes on the Ussuri River. In April, the Ninth Congress of the Chinese Communist Party was held: this heralded the end of the Cultural Revolution and the onset of a more pragmatic Chinese foreign policy. This led directly to the warming of China's relations with the United States, climaxing in President Nixon's visit to Beijing and the Shanghai Communiquè in 1972, as well as a steady improvement in Beijing's relations with the non-communist countries of Southeast Asia. This posed a new challenge to Moscow, which hitherto had been accustomed to a China which was diplomatically and politically isolated from the region. At the same time, the British policy of withdrawal from "East of Suez" and (following the Tet offensive) the United States' Guam Doctrine, signalled that the two major Western powers with security interests in the region were re-evaluating their presence, in turn providing the Kremlin with the opportunity to fill the resultant power vacuum. In response to all these changes, regional states began readjusting their policies, giving the Kremlin a golden opportunity to be a major actor in Southeast Asian politics. Soviet leader Brezhnev's Asian Collective Security System proposal can partly be explained in this context.

The combination of the above changes and developments, together with the attainment of strategic nuclear parity and rapid expansion of the Soviet navy to an

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extent which permitted it to project its power well beyond the shores of the Soviet Union, set in motion a momentum of Soviet involvement in Southeast Asia which was to lead to its present high profile in Indochina. The Soviet Union, however, did not lose sight of its paramount strategic interests: this was vividly demonstrated in 1972 when Brezhnev received Nixon while the U.S. Air Force and Navy were mining Haiphong Harbour.

Following the communist victories in Indochina in 1975, Moscow displayed heightened interest in Southeast Asia.[2] This was directly the result of the collapse of the American security system in the region, the demise of SEATO (South-East Asia Treaty Organization) and the rise of Vietnam as the dominant actor in Indochina. The Soviets watched anxiously China's moves in Southeast Asia, a region which had been regarded historically as China's "backyard". Beijing's increasingly cool relations with Hanoi, its growing friendliness towards ASEAN, its open support for a residual U.S. security role in the region, its pressure on Washington to reverse détente with the Soviet Union and more importantly the growing concert of interests with the United States, Japan, Western Europe and the ASEAN states, were all disturbing to Moscow.

It was in the light of the growing tensions between the communist countries of the region and China's expanding role in Southeast Asia as a whole that the USSR moved in a major way to acquire unprecedented influence in Vietnam. Several developments provided the USSR with opportunities to increase its influence: the Vietnamese-Kampuchean conflict which ended in Vietnam's invasion and occupation of Kampuchea; China's "limited war" against Vietnam; the deluge of "boat people"; the decisions by the West and Beijing to cut off economic aid to Vietnam; and the escalating "cold war" between Vietnam and ASEAN. While it is true that these events culminated only after Vietnam's accession to COMECON (Council for Mutual Economic Assistance) in June 1978 and the signing of the Soviet-Vietnamese Treaty of Friendship and Co-operation in November that year, they did lead to increased dependence by Hanoi on Moscow, principally because the Vietnamese had nowhere else to turn.

Since the beginning of 1979, the Soviet Union has become the largest trading partner of, as well as the main economic and military aid donor to, Vietnam. It is estimated that Moscow spends about US$3 million per day on Vietnam, largely to finance Hanoi's occupation of Kampuchea and to keep the Vietnamese economy functioning. In return, the USSR has acquired basing rights in Vietnam for air force and naval units. The former American naval base at Cam Ranh Bay has been transformed, according to the U.S. Department of Defense, into "the largest Soviet naval forward deployment base outside the Warsaw Pact".[3]

The above discussion indicates that Soviet involvement in Southeast Asia has expanded incrementally, largely as a consequence of opportunities thrown up by developments within the region, and that Moscow has experienced both setbacks and successes. It is no longer accurate to discuss Soviet interests in Southeast Asia as merely marginal or secondary. The presence of some 10,000 advisers in

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Indochina, the military alliance with Hanoi, the commitment of massive Soviet economic, military and political support and prestige and, more importantly, the strategic value of the military facilities in Vietnam, would indicate that Southeast Asia has acquired an importance in Soviet strategy which hitherto had been absent. The likelihood is that this significance will grow in view of the uncertain U.S. position in the Philippines and China's modernization of its armed forces and economy as well as its diplomatic activities in the region as a whole. The permanence of Moscow's interest and involvement in the region is underscored by the fact that the Soviet Union views itself more and more as an Asian and Pacific power than merely from a Eurocentric orientation. As Gorbachev emphasized in his Vladivostok speech on 28 July 1986, "The Soviet Union is also an Asian and Pacific country".[4]

Soviet Goals in Southeast Asia

The main aims of the Soviet Union's foreign policy are to guarantee its security and to extend its influence beyond its borders. In this regard, the goals are both defensive and offensive. More specifically, the vital interests of the Soviet Union include the avoidance of a nuclear war with the United States, the deterrence of NATO (North Atlantic Treaty Organization) in Central Europe, the maintenance of Soviet control of Eastern and Central Europe, and the projection of credible power in the countries bordering the Soviet Union, especially China and Japan. In this regard, the USSR has no vital interests in Southeast Asia. This does not mean that the region is not important. Indeed, consistently growing Soviet commitments have been a characteristic feature of Soviet policy in the region since 1965. While it is true that it is inadvisable to discuss a superpower's policies with regard to one region of the world in isolation from its global policies, nevertheless, from Soviet statements, writings and actions, it is possible to infer the following as its goals in Southeast Asia:

1. To check any expansion of the United States' economic, political and military influence, by encouraging rifts between Washington and the countries of the region with the object of disrupting, and even unravelling the American defence alliance system.
2. To contain the expansion of Chinese influence by working on the Southeast Asian countries' fears of Chinese intentions, by highlighting China's "expansionist nature" as well as the "special relationship" between Beijing and the Overseas Chinese, and emphasizing the "exploitative" character of the latter's economic activities and their potential as a "fifth column".
3. To retard the expansion of Japanese economic and political influence.
4. To expand Soviet economic, political and military influence with a view to consolidating gains in Indochina and making inroads into the ASEAN region.
5. To ensure unhindered passage for Soviet naval and merchant ships through the sea lanes controlled by the ASEAN states.
6. To expand economic relations with regional states in order to tap markets and raw materials.[5]

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Regional Perspectives

Since Moscow does not view the region as a clear-cut entity, a useful approach to the subject requires a country-by-country analysis followed by an attempt at generalization. The focus is on the ASEAN countries, although the Indochinese (especially Vietnamese) and Burmese perspectives are also discussed.

Indonesia. Indonesia does not rate highly the idea of a Soviet threat to Southeast Asia. Jakarta is primarily concerned with internal threats posed by communist-led insurgencies (although now much less so than in the past), Muslim fundamentalists and regional separatists, rather than threats from without.[6] In this regard, the Indonesian leadership is not unduly alarmed by the growing Soviet military build-up in the region because this is seen largely as a Soviet response to the emerging U.S.-Chinese strategic relationship, with little or no regional significance. Indeed, Indonesian leaders do not believe that the Soviets are seeking a permanent naval presence in Southeast Asia. Because of the Soviet Union's physical remoteness, its economic weaknesses, the fact that it does not see Southeast Asia as a vital region, and that for ideological and psychological reasons Southeast Asian leaders are reluctant to move politically closer to Moscow, Jakarta views the Soviet Union as having little chance of dominating the region. In an interview with *Time* magazine, Mochtar Kusumaatmadja, the Indonesian Foreign Minister, interpreted the Soviet presence in the region as follows:

> The Soviets are quite happy to have a presence here, but maintaining it is difficult. The nearest Soviet airport is covered by ice half the year and the sea routes between Soviet ports and Southeast Asia are easily interdicted. Yet it is a useful presence for them and relatively low in cost. I would say that there is an increase in Soviet presence here, but it is a balance to the U.S. presence, which was always here and as such it is to be expected because the superpower rivalry is global. However, the rivalry in this area is among the lowest in intensity in the world.[7]

More bluntly, the Indonesian Armed Forces Chief, Benny Murdani, dismissed the growing fears of some ASEAN leaders regarding the Soviet naval presence in Vietnam by arguing that "the [American] Seventh Fleet is a very strong force. Why should anybody worry about it [the Soviet naval build-up]?".[8]

The Indonesians continue to hold such views in spite of mounting anti-Soviet feelings in Jakarta since 1978 as a result of:

— the Soviet invasion of Afghanistan;
— blunt remarks by the former Soviet Ambassador to Jakarta, claiming that the situation in Indonesia was more chaotic than in Afghanistan (this was prompted by widespread demonstrations in Indonesia against Soviet actions in Afghanistan) and that the Indonesian Revolution (1945–49) would not have been possible without Soviet assistance;[9]
— Radio Moscow's broadcasts referring to the outlawed PKI's message of greeting to Brezhnev on his seventy-fifth birthday;[10]

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— a spy scandal which resulted in the expulsion of three Soviet officials and the banning of all Aeroflot flights to the country;[11]
— the Soviet government's condemnation of the execution in Jakarta in 1985 of Mohammed Munir, a PKI leader.[12]

Indonesia's relatively limited concern about the Soviet threat does not mean that the danger of Soviet activities in the region has not been raised. In December 1981, the National Security Chief, Admiral Sudomo, warned that "the Soviet Union and a surrogate expansionist Vietnam now posed the greatest security threat". Later, the Information Minister, the late Ali Murtopo, reiterated that the "Soviet military build-up and expansion posed the greatest threat to countries in the Asia-Pacific region".[13] This has, however, remained a minority view.

The main reason, in addition to the perceived constraints confronting Moscow in the region, why the Soviet Union is not viewed as a threat is because the Indonesian leadership perceives China as a much greater danger in terms of possible external aid to subversive and insurgent elements or to a state which it supports in an intra-regional dispute. The following factors have conditioned this perception:

— China's geographical proximity compared to the Soviet Union's distance;
— the fear that Beijing harbours claims to the region as its sphere of influence;
— China's closer racial and cultural affinity with the region;
— the presence in Southeast Asia of some 20 million Overseas Chinese who remain economically influential;
— the fact that in the past China had encouraged instability in the region through its support for the communist parties (many of whose members were ethnic Chinese) and with which Beijing has refused to renounce its ideological and moral ties;
— China's alleged involvement in the 1965 "coup" attempt in Jakarta;
— the West's assistance in China's "Four Modernizations".

The Indonesian leadership perceives grave danger in the last variable, as a successfully modernized China might then have the wherewithal to realize its allegedly "imperialist" goals in the region. It is because of this fear that Jakarta is not impressed with the Western idea of a "moderate Dengist China":

> . . . in the future when Soviet pressure has been lessened as a result of détente with Moscow and they have restored domestic stability and stepped up development say in 10 to 15 years time, Southeast Asian countries will have to take into account China's strategic potential. This is why Southeast Asian nations firmly reject proposals in the U.S. that China be assisted militarily to aid the U.S. in facing the Soviet Union.[14]

In the light of these strategic perceptions, Jakarta responded to the Soviet-Vietnamese alliance and Vietnam's invasion and occupation of Kampuchea differently from the other ASEAN members, even though the external manifestation of ASEAN solidarity was maintained in international forums. Indeed, on a number of occasions, Indonesian leaders have expressed sympathy for Vietnam's

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predicament. The Soviet-Vietnamese alliance has been interpreted as having been forced upon Hanoi by the United States' failure to give Hanoi a fair chance to embark on a more independent "Titoist" foreign policy. This was supposedly largely because Washington was preoccupied with developing its strategic relationship with Beijing at the expense of Hanoi. The decision by Beijing and the Western countries to cut off all economic and technical aid to Vietnam only exacerbated Vietnamese hardship, which not only lessened Hanoi's international options but also forced it into a closer embrace with Moscow.

Given these views, Jakarta has been warming up its relations with the Soviet Union lately, with the Indonesian Foreign Minister describing their current links as "better than correct, almost good".[15] The exchange of high level trade and diplomatic delegations as well as the establishment of a Joint Commission in November 1985 aimed at formulating "concrete directions for bilateral cooperation"[16] was merely another manifestation of this growing warmth. Not surprisingly, Indonesia was the only country in ASEAN to view positively Gorbachev's July 1986 Vladivostok speech: the Indonesian Foreign Minister stated that "the Soviet Union recognised the political diversity of the region" and indicated his "readiness to have peaceful coexistence in the real sense and signalled a change of direction in Moscow's Asia-Pacific policy".[17] The growing warmth in their current relationship can probably be explained by these factors:

1. Jakarta's belief that Gorbachev's Soviet Union intends to be a more constructive actor in the Asia-Pacific region.
2. Indonesia's need to diversify its trade relations in the light of the glut in the oil market and especially in terms of finding Eastern European markets for non-oil commodities.[18]
3. The view that Indonesia should respond to China's growing power and influence in the region, which has been augmented by Beijing's closer economic, political and military relations with the United States, other Western countries, and Japan.
4. The belief that as the largest country in Southeast Asia, Indonesia should be playing a more important international role outside the ASEAN framework.

Because of this strategic perception, the Indonesian leadership views the Soviet Union's presence in Southeast Asia as legitimate. For example, when discussing the role of the U.S. and Soviet naval presences in Southeast Asia, Mochtar Kusumaatmadja declared:

> We are non-aligned and we feel that if the Americans have base facilities in the Philippines, there could be no objections to the Russians having them in Vietnam. It is no threat to us. Communism never came to us in big ships. Big bases and big warships are manifestations of big-power rivalry, whether communist or not. How can you condone Subic and deny Cam Ranh? I feel no threat from either.[19]

Jakarta sees Soviet involvement in Vietnam as signifying Moscow's wish to be taken into account in the security affairs of the region. Inherent in Indonesian

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thinking is that as long as the U.S. presence in the region is maintained, there is no reason to fear the Soviet's growing visibility as this acts as a counter-weight to the perceived Chinese danger.

Malaysia. In some ways, Malaysia perceives the USSR in similar terms to Indonesia. It sees the growing Soviet presence in Indochina in global and not regional terms, viewing it as directed at the United States and the People's Republic of China. This is not to claim that anti-Soviet sentiments are not present in Malaysia. Following the Soviet invasion of Afghanistan in late 1979 and the shooting down of the Korean airliner in 1983, anti-Soviet mass rallies were held in different parts of the country. The Malaysians also openly expressed their disapproval of the statement in Singapore by Mikhail Kapitsa, the Soviet Vice-Foreign Minister, that Hanoi would have to retaliate and supply arms to insurgents in the ASEAN states if the latter continued to support the Kampuchean resistance. Anti-Soviet sentiments were also aroused following discovery of a Soviet spy ring involving Siddiq Mohamad Ghouse, the political secretary of the then Deputy Prime Minister, Mahathir Mohamad, and this resulted in the expulsion of three Soviet diplomats from Kuala Lumpur. This incident prompted Foreign Minister Ghazali Shafie to warn that "Russia's objective is to bring the whole world under the ambit of Moscow while China resolves to place the whole of Asia under Beijing. So to us, both the countries spell danger".[20]

The potential danger of Soviet military power was made glaringly clear to Malaysian leaders in March 1984 when a Soviet Navy anti-submarine warfare helicopter from the aircraft carrier *Novorossiysk* intruded into Malaysian airspace. This prompted a Malaysian National Security Council spokesman to call the incident a "Soviet psychological exercise".[21] There is no doubt that since 1978, Kuala Lumpur has become increasingly wary of Soviet activities in the region as a whole. As the Foreign Minister pointed out:

> The threat from the activities of the Soviet Union in pursuit of her own global design in this region is another possible source of insecurity. Like China, the Soviets too have their potential assets ready-made for conspiratorial exploitation with their specialised methods for deception, disinformation, manipulation, penetration and any specialised political action.[22]

It is in this regard that the expansion of the Soviet Navy's war-making capability in the region has been described as "worrisome", but not a threat. In April 1983, an editorial in the *Star* unequivocally expressed concern over the Soviet threat to the region:

> We should not be mesmerised by the clashes along the Thai-Kampuchean border into believing that Hanoi is the only villain in the piece. There is indeed a bigger villain flexing his muscles through its surrogate, Vietnam. That villain is the Soviet Union.

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It is the Soviet life-line to Hanoi that encourages Hanoi to play the political maverick in Southeast Asia: it is the same life-line that allows an impoverished and war-wrecked nation like Vietnam to undertake expensive military adventures like the invasion of Kampuchea.

Only last year, a seemingly concerned Moscow was mouthing platitudes about settling the Kampuchean issue peacefully. Last week, that same country was threatening ASEAN with subversion. So blatant a threat comes as no surprise to countries such as Malaysia which have never had any illusion about long-term Soviet intentions.

With Soviet ambitions once more laid bare for all to see, Malaysia and her ASEAN neighbours should be ever-vigilant against the Soviets, despite all Moscow's blandishments. We shall never knuckle down to the threats of either the Soviets or their proxy. And Malaysians, wherever they may be, should not hesitate to condemn the Soviets and their allies for their high-handed interference in the affairs of the nations of Southeast Asia.[23]

Kuala Lumpur's perceptions of Soviet presence and activities in the region were most lucidly articulated by Prime Minister Mahathir Mohamad at the International Monetary Conference in Hong Kong in June 1985.[24] He warned that although "the Soviet danger has been the one that looms most ominously over everything that happens in the region", "the Soviet bogey seems overplayed". While arguing that Moscow has no specific intention to commit aggression in any part of the Asia-Pacific region, he described seven task-oriented and three non-task specific reasons for the massive deployment of Soviet military assets in the region:

— as part of the global military balance with the United States;
— to counter the Chinese threat;
— to aid Vietnam from whom it gains invaluable military facilities;
— to secure Siberia;
— to demonstrate military and political credibility to friends and foes alike;
— to intimidate Japan;
— bereft of the economic, ideological, cultural, political and diplomatic capabilities of its adversaries and faced with a steady and dramatic deterioration of the correlation of forces in its favour in the Pacific, a "supremely unidimensional power", which only possesses military assets, it has no choice but to respond militarily to prevent a further deterioration in and to improve its position;
— to achieve full superpower status which is only attainable through the deployment of the only capabilities it possesses — its military forces;
— having built up massive military forces, Moscow has to deploy them somewhere;
— it is only natural for the Soviet Union to deploy its military forces in Asia and the Pacific because the Soviet Union is not only a European state but also an Asian and Pacific state.[25]

Arguing that it would be insane for any state in the region to be complacent

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about the existence of so much Soviet firepower, Mahathir declared that the USSR was a bully, condemned its actions in Afghanistan and Eastern Europe and disapproved of its backing for Vietnam's aggression against Kampuchea. More importantly, he argued that "we must make some effort to see their rationale for their actions" and referred to what was perceived in Kuala Lumpur as the "greater danger":

> Rather than be over exercised by the Soviet threat, I would argue that a much greater threat to the entire Asia-Pacific region is the emerging economic cold war between the U.S. and Japan and the serious economic conflicts which provide cause for concern not only to the two economic giants but also to their friends in the Pacific and in the rest of the world.[26]

Later, this inspired a *Malaysian Business Times* editorial to bring the United States to task for its "noises" about the "Soviet danger in Southeast Asia":

> . . . as it is in propaganda wars, the U.S. selectively omits mentions of its air and naval bases in the Philippines, Guam, Okinawa, South Korea and Japan, and potentially new ones coming up in Saipan and Tinian in the Northern Marianas. . . The U.S. air force and naval base at Clark and Subic Bay in the Philippines alone more than matches any of the small Soviet Pacific bases.[27]

While dismissing the "Soviet bogey", the editorial argued, along the lines drawn by the Prime Minister, that peace and stability in Southeast Asia can only come about with trade and capital flow:

> The Americans freely warn about the threat of freedom but its policies on multilateral aid and open trade stifles the abilities of developing countries to promote their freedom by dooming them to slow growth and difficult recovery. Economic development is stalled, thus undermining the very underpinnings of freedom and security. In this regard, the trade war between the U.S. and Japan bodes ill for the region.[28]

In the same vein, in May 1986 the Director-General of the Malaysian Institute of Strategic and International Studies, Noordin Sopiee, explaining the "more relaxed attitude of the ASEAN community" towards the "Russian military threat" pointed out that "non-communist Southeast Asia knows that the Soviet threat is potentially greatest to the communist states of Southeast Asia, where the Kremlin has massive economic military and political leverage. Furthermore, it was also supposedly clear that "the Soviets have very limited capability as well as limited interests in the ASEAN community".[29]

An important consideration behind this "moderate" Malaysian perception of the Soviet Union is the belief that China is the main source of long-term threat. Kuala Lumpur's fears are conditioned by the ongoing Malayan Communist Party insurgency, which was vigorously backed by China in the 1950s and 1960s and

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which is still "morally and ideologically" supported by Beijing; by the presence of a large ethnic Chinese community and the competitive (and often strained) Malay-Chinese communal relations. In this regard, Kuala Lumpur's antipathy towards Beijing, can in part, be understood in terms of the Malay leadership's projection of its ethnic antagonism towards the Chinese in general.

Thailand. Historically, Thailand has been vulnerable to land-based threats from the west, north and east, but since World War II has come to be preoccupied with the threat from the east and north, largely because of the rise of communism in China and Vietnam. Bangkok's strategic alliance with the United States was largely to counter their perceived threat. But as the U.S. war effort in Vietnam diminished and the prospects of U.S. military defeat and withdrawal from Indochina increased, Thailand turned to China and ASEAN to cope with the threat from a reunited and revitalized Vietnam, backed by the Soviet Union. The Vietnamese invasion of Kampuchea reinforced Thai fears and, unlike Malaysia and Indonesia, Thailand has come to see China as a countervailing force to Vietnamese ambitions in the region. China's "lesson" to Vietnam in February–March 1979 in return for the latter's invasion of Kampuchea, was a reminder to Bangkok of the value of the Chinese "card".

Traditionally, Bangkok has not been concerned with the Soviet threat. However, with the increased Soviet military presence in Vietnam and its backing of Vietnam's invasion and occupation of Kampuchea, the Soviet Union has slowly risen as a source of threat in Thai perceptions. This was made amply evident by Siddhi Savetsila, the Thai Foreign Minister, during his address to the Council of Foreign Affairs in New York on 20 May 1985:

> Today, that threat comes from the Soviet Union and through its proxy, Vietnam. Beyond their expansionistic designs, they have parallel security interests. For the Soviet Union, it wants to have a permanent foothold in Southeast Asia to counterbalance the military presence of the U.S. in the Philippines and elsewhere. Mainly for this reason, the Soviet Union has moved into Cam Ranh Bay and turned it into a Soviet military base. With Cam Ranh Bay, the Soviet Union now has the capability to patrol the South China Sea and even roam the Gulf of Thailand. This Soviet presence has clear consequences for the vital sealanes and all naval movements in the region. It has a strong effect on the power equation in Southeast Asia.[30]

Thailand's earlier preoccupation with the Chinese threat has, therefore, undergone a change. Thanat Khoman, the former Thai Foreign Minister, made this explicit when he argued:

> . . . for years governments and people in this region have been brainwashed into believing that the main threat lay with the PRC. . . . That shallow deduction flowed from certain facts . . . [which] . . . blinded many people to the reality that a victorious North Vietnam supported by a powerful modern pro-

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tector and sponsor could become a more menacing threat than the populous but underdeveloped Chinese colossus.[31]

A senior Thai security official assessed Soviet objectives in the region as follows:
— to block China from expanding to the south;
— to replace the U.S. power that used to be there;
— to show small countries of the region that the USSR should be accepted and recognized as a superpower; and
— to build up strategic points for Soviet interests in the region and to link up with Soviet activities in the Indian Ocean and the Persian Gulf.[32]

For these reasons, Thai officials see little chance of the Soviets abandoning the Vietnamese. In view of the great strategic value of Vietnam to the Soviet Union, a former Thai Finance Minister argued that it was inconceivable that Moscow would ever voluntarily relinquish its bases there. He also argued that there was no way the Soviet presence in Vietnam can be removed and that the Western world had no instruments available to effect this removal.[33] It is also recognized that the Soviet Union has become a permanent feature of Southeast Asian affairs and that it cannot be wished away. As Asa Sarasin, the Permanent Secretary of the Thai Foreign Ministry, explained: "The Soviet Union is a power we have to reckon with, whether we like it or not. We want to inform Moscow that the ASEAN governments have no wish whatsoever to evict the Soviet presence from the region".[34]

Perceiving that the Kremlin's global and regional interests have coincided with Hanoi's ambitions to dominate Indochina, Thai leaders see little chance of Vietnam's dependence on Moscow being reduced. Indeed, Bangkok has argued that Hanoi is drifting deeper and deeper into dependence on Moscow because of the heavy cost of maintaining 160,000–180,000 troops in Kampuchea. Bangkok has dismissed speculation that Hanoi could reassert its traditionally independent foreign policy and veer away from Moscow like Egypt and Somalia did in the 1970s. While Bangkok shares the view that the PRC is a threat in so far as all communist powers constitute a threat to states in the region, it is disturbed by the Indonesian and Malaysian tendency to dismiss the ideas that Vietnam is expansionist and that its occupation of Kampuchea is a threat to Thailand. While the Thais agree with Jakarta and Kuala Lumpur that Hanoi should, if possible, be weaned away from Moscow, at the same time they oppose the notion that a strong Vietnam could act as a counterbalance to Chinese expansionism in Southeast Asia, because Bangkok equally fears Hanoi's expansionist designs on the region. However, Thai leaders also point out that Vietnam would not be able to expand without external backing and, for this reason, condemn Moscow's policies in the region. The Thai Foreign Minister has argued that without Soviet assistance the Vietnamese expansionist machinery would come to a grinding halt and that "if Vietnam did not have Soviet military and financial support, its occupation of Kampuchea would not be possible".[35]

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Singapore. Of all the Southeast Asian countries, Singapore probably has the most hardline declaratory view of the Soviet Union. Its Foreign Minister, S. Dhanabalan, has argued that:

> . . . we see the emergence of the Soviet Union as a dominant superpower as the biggest threat to peace in the region. The Russians have made it very clear that they want to dominate the world, and part of the plan covers the use of client states like Vietnam. . . . The Soviet Union has in the past few years proved that it intends to carry out its plans.[36]

According to the Republic's Prime Minister, Lee Kuan Yew, Soviet aims in the region are: "first to make friends, then to be the Big Brother and finally to be the arbiter".[37]

The Republic's posture towards the Soviet Union did not develop in a vacuum. Rather, it was in response to the changing political alignments in the region since 1975. Following the U.S. military defeat in Indochina, the Republic's leaders perceived a weakening of America's will as well as its naval power in the region, and this was seen as dangerous because the U.S.-dominated status quo was viewed as being favourable and beneficial to the Republic. More ominous was the expansion of the Soviet military presence in the region and Vietnam's military alliance with the Soviets: the combination prompted the Republic's leaders to adopt a "high profile foreign policy", which in substance meant being anti-Soviet and anti-Vietnam. The Vietnamese invasion of Kampuchea, which was supported and endorsed by the Soviets, followed by the Soviet invasion of Afghanistan, only confirmed the Singapore leadership's worst fears. These were further reinforced by Vietnam's intransigence in continuing its occupation of Kampuchea, its policies towards its ethnic Chinese, its seasonal military campaigns against the Khmer resistance forces, and its frequent military incursions into Thailand. In this regard, Singapore's anti-Soviet stance can be explained by the following factors:[38]

— a deep sense of vulnerability in view of its small size, and its limited resources;
— a concern with regional stability in view of its near total dependence on foreign investments and trade;
— a concern over the expanding deployment of Soviet naval and air power in the region;
— a reaction to what has been perceived as a changing balance of power in Southeast Asia in favour of the Soviet-Vietnamese "camp";
— a belief that the Kremlin encouraged and financed the Vietnamese invasion of Kampuchea for its own strategic goals;
— a belief that it had little to lose by its hardline posture because (i) it was not a domestic political liability, (ii) in the struggle between capitalism and communism, the Republic could never expect to have amicable relations with the Soviets, and (iii) confidence that trading relations with the USSR would not be affected by its hardline posture; and finally,
— its embarrassment over the rapid expansion of the Soviet military, especially

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naval, presence in the region in the light of the Republic's earlier apparent encouragement of an increased Soviet presence in Southeast Asia. This is because Singapore favours a strategic multipolarity in Southeast Asia in order to ensure its security and survival. However, the perceived Soviet "over-presence" at a time of reduced Western presence was something the Republic's leaders did not bargain for.

In the light of this perception, Singapore has encouraged the United States to continue playing an important role in the region. Viewing the Soviet naval presence as "psychologically intimidating" and a "potential threat", the Prime Minister has exhorted the United States to "ensure that the Soviet Union, either on her own or through her surrogate, Vietnam, should not be allowed to dominate or intimidate Southeast Asia with her military might".[39] Singapore has also come to see China's role in checking Soviet-Vietnamese expansionism as constructive. For instance, the Republic welcomed China's "punishment" of Vietnam in 1979, arguing that without it, "the situation would have been disastrous for Thailand and the rest of Southeast Asia. Soviet influence would have become all pervasive".[40] In view of this, Singapore does not regard China as a threat except in the very long term because "China has not got the military capacity to be a threat . . . for 20 to 30 years."[41]

This strategic perception has been largely responsible in encouraging the Republic to adopt "pressure tactics" to reduce the perceived Soviet-Vietnamese threat. One reason for this is the belief that the Soviets and the Vietnamese have divergent aims in the region and that Vietnam is not vital to Moscow. This is because whereas the Soviet Union's objective is to put Vietnam solidly behind it against China, Vietnam needs the Soviet Union to consolidate its position in Indochina.[42]

The Philippines. Because of its geographical distance from the other ASEAN states and Indochina, Manila's security perceptions are rather different from those of the other ASEAN members. Close military, economic and political relations with the United States have been the cornerstone of Manila's foreign policy since independence, and its security concerns centre around its defence alliance with Washington. Thus, a sense of detachment from the rest of ASEAN and a greater amount of freedom of action can be detected in Manila's security policies and perceptions. At present, however, the principal preoccupation of the government is the domestic threat,[43] emanating mainly from the communist New People's Army and to a lesser extent, the Muslim Moro National Liberation Front. Because it is so engrossed with its internal problems, Manila is perceived in ASEAN as unlikely to be much concerned over the Kampuchean issue. But this does not mean that Manila has not expressed concern over external threats. China has, in the past, been viewed as a major threat, in line with American security policies in Southeast Asia. This concern contributed to Manila's accession to SEATO and later its involvement in the Vietnam War.

Soviet-Philippine relations have never been close even though they have

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improved perceptibly since the mid-1970s. Increasingly, however, Manila has become concerned over the activities of Soviet naval forces in the region, especially around the Philippine archipelago, as a result of the growing Soviet naval deployment in the South China Sea as well as overflights by Soviet reconnaissance aircraft which former President Marcos described as "not frequent but sufficient enough to cause alarm".[44] However, Manila does not foresee the Soviet Union launching a strike against the Philippines, except in an all-out war against the United States. As a senior Filipino army officer explained:

> We see the Soviet Navy as a challenge to U.S. naval dominance in the Pacific. The threat is that a confrontation may occur in this area. [However], we do not see the Soviets launching strikes against the Philippines with Filipino forces as a target or landing forces here.[45]

Like Singapore, the Philippines has encouraged the United States to play a more important security role in Southeast Asia in order to balance the growing Soviet military capability in the region. The Philippine government has also argued that the Indochina problem was the source of Soviet expansion in the region and to this effect has wished for an early settlement. As former President Marcos pointed out:

> The Cambodian problem was the reason for the ease with which the Soviet Union has been able to come into the Southeast Asian region and utilise Cam Ranh Bay and Danang.[46]

The February 1986 "People's Revolution" in the Philippines is not expected to alter drastically the Philippine perception of the Soviet Union. If anything, a deterioration of Philippine-Soviet relations can be expected, especially once the new government puts its house in order. To begin with, the Kremlin can be said to have antagonized the Aquino government by its extension of support for Marcos during his last days.[47] With the U.S. Congress accusing Marcos of cheating at the poll and threatening to cut off aid, the Kremlin must have believed that an opportunity presented itself to win Marcos over to its side, with the ultimate objective of removing the U.S. military presence and possibly of gaining access to the vacated bases. Moscow's miscalculation stemmed from its lack of instruments to influence the Philippine domestic situation and its overestimation of Marcos' strength. This must have certainly irked the new leadership in Manila. Despite the visit of Mikhail Kapitsa in late April 1986, with the aim of securing an assurance that bilateral relations between the two countries would be maintained, nothing concrete apparently resulted from these talks.[48] It is clear that Philippine-Soviet relations have suffered a setback and that the Revolution overthrew not only Marcos but also the Kremlin's attempts to cultivate closer relations with Manila.

Brunei. To date, Brunei has not clearly enunciated a policy towards the Soviet Union. As a newly independent state and a new member of ASEAN it has sup-

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ported ASEAN's position in the United Nations, which in substance entails criticism of Hanoi's invasion of Kampuchea as well as Moscow's support for this aggression. As Sultan Hassanal Bolkiah stated in his speech on the occasion of Brunei's admission to the United Nations:

> In Southeast Asia, peace, security and stability is being threatened by forces that are disregarding the basic principles of the U.N. Charter . . . I refer . . . to the armed invasion and continued occupation of Kampuchea by Vietnamese forces, disregarding the principle of non-interference in the internal affairs of other states and in violation of international law and normal standards of international behaviour.[49]

The Indochinese States. Presently, Vietnam views China as the principal threat to its security. The United States, which until 1975, was perceived as the main danger is now seen as a weakening power in view of a shift in the balance of forces in favour of the Soviet Union. Vietnamese writers have argued that since 1975, Southeast Asia has lost its significance in U.S. foreign policy. Instead, the policy is to restrict its direct involvement and to act through proxies.[50] This new role is said to be pursued in collusion with Beijing, while at the same time prodding Japan and ASEAN to increase their military activities.

Vietnamese writers now argue that Beijing is willing to seek alliance with any power to realize its goal of imposing "hegemony" in Southeast Asia. It is argued that, in the 1950s, Beijing sided with the Soviet Union in its "lean to one side" policy while at the same time negotiating with the "imperialists" during the Geneva Conference on Korea and Vietnam in 1954, which approved the partitioning of the two countries. This, however, overlooks the fact that the Soviet Union was also a party to the agreements. In the 1960s, the PRC opposed both the superpowers. While Beijing supported Vietnam in its war against the United States, the Vietnamese now maintain that the PRC aimed to create a "safety belt" to the south of China in order to avoid direct confrontation with the United States. From the 1970s onwards, the Chinese allegedly pursued a policy of collusion with the United States in order to contain what was perceived as Soviet expansionism. This policy began with Kissinger's visit to Beijing in 1971, followed by Nixon's in 1972, and culminated in the Shanghai Communiquè. At the same time, Chinese designs on Southeast Asia were, according to Hanoi, evident in Beijing's decisions to cut off all military aid to Vietnam in 1973, to invade the Paracels Islands in January 1974, to attempt to slow down the "liberation of Saigon" in April 1975 and, later, to use Pol Pot as a proxy to "bleed" Vietnam. When these efforts failed, Beijing launched a limited invasion of Vietnam in February–March 1979. China is seen as a threat to the region not only because it "harbours ambitions" over the territory, airspace and territorial waters of all Southeast Asian nations, but because it has at its disposal an "expansionist ideology" (Maoism) as well as "tools to materialise this ideology" in Southeast Asia, namely "political and armed forces" as well as

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twenty million Overseas Chinese, the majority of whom are purported to maintain close ties with mainland China.[51]

It is in this regard that Hanoi views the Soviet Union as a stabilizing force, able to counterbalance Chinese expansionism. The Vietnamese maintain that the USSR is the only big power never to have had any territorial ambitions against, or armed conflicts with, any country in the region. A Vietnamese writer analysed Soviet involvement in Southeast Asia in the following terms:

> The Soviet Union's policy vis-à-vis this region stems from its global strategy. The Soviet Union needs peace in Europe and throughout the world in order to build Communism while also discharging its internationalist obligations toward the national independence movements. It wages an active struggle for the implementation of the principles of peaceful coexistence between countries with different social systems. It needs peace and stability in Southeast Asia. Any attempt to undermine peace, stability and the equilibrium in this region compels the Soviet Union to respond for the sake of its allies, its friends and its own sake. The Soviet Union always views world peace as indivisible. And if peace and stability in Southeast Asia are being undermined, the Soviet state cannot remain uncommitted for it is in its nature to oppose war and it has to do whatever is necessary to extinguish the hotbeds of war and keep its commitments to its allies. Evidently, such an eventuality is not looked forward to by the Soviet Union for it would affect to one extent or another its construction (*sic*) endeavour.[52]

In addition to checking the Chinese threat, Hanoi's close relations with Moscow can be explained by its near total dependence on the USSR for trade, economic and military assistance, and diplomatic support. Most importantly, Hanoi depends on Moscow for support for its policies in Laos and Kampuchea. It was in view of this that Le Duan stated in November 1982 that "linking ourselves closely and cooperating in all domains with the USSR is for us a principle, a strategy and at the same time a revolutionary sentiment".[53] While it is obvious that Vietnam is dependent on the Soviet Union, Vietnamese officials have, however, blamed this dependence on the West and China, arguing that Hanoi was compelled to turn to Moscow because it has nowhere else to turn. In an interview with the *Boston Globe*, Nguyen Co Thach, the Vietnamese Foreign Minister, declared:

> We have gone through many difficult times and during these difficulties it was the Soviet Union that helped us the most. Others closed the door against us. It is not our crime to be dependent on the Soviet Union. We open our door to everyone . . . but it is the policy of the U.S. and China to blockade us economically.[54]

The Vietnamese are sensitive to ASEAN charges that the Soviets use military facilities in Vietnam and have denounced alleged propaganda concerning the "so-called expansion of Soviet influence in Southeast Asia", and particularly the Soviet Union's use of Cam Ranh Bay. Nguyen Huu Chinh, a National

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Assembly member from Phu Khanh province, which includes Cam Ranh Bay, assured an Indonesian audience in 1984 that "Cam Ranh is not a Soviet military base", and that "the Soviet Union has no military bases in Vietnam", while claiming:

> The imperialist forces are playing up the Soviet military threat in Southeast Asia to find a further pretext to step up their arms race. China is playing it up to goad the ASEAN countries and camouflage its own expansionist designs".[55]

Both Laos and Kampuchea (since 1979) support Hanoi's foreign policy line. Both perceive China as the main and immediate threat and have maintained close ties with the Soviet Union as well as hosting Soviet military and technical advisers. At the Third Congress of the Lao People's Revolutionary Party in April 1982, its Secretary-General, Kaysone Phomvihane, declared that "the Beijing hegemonists are an immediate, dangerous enemy of the Lao people".[56] In July 1984, Hun Sen, the Foreign Minister of the People's Republic of Kampuchea, declared that China was an "expansionist, hegemonist power" and that Phnom Penh's foreign policy was one of "solidarity and cooperation with the Soviet Union" as well as "militant alliance and special relations among the three countries of Indochina".[57]

Burma. Since independence, Burma has pursued a foreign policy of "absolute neutrality", but one which also emphasizes *pauk-pauw* (cousinly) relations with its northern neighbour, China. This was manifest in Rangoon's "one China policy" (which involved recognizing the PRC) as well as its consistent refusal to join U.S.-initiated "containment" policies. Following independence, Burmese neutrality was largely conditioned by its proximity to China, its delicate internal political situation in which stability required external balancing, its suspicions of and quarrels with its immediate neighbours, its ardent nationalism, the perceptions of its authoritarian but charismatic leaders, its desire to draw aid from different "blocs" and finally, the belief that the country would benefit little by placing greater reliance on any one "bloc". Because of Rangoon's border problems with Beijing and the presence of large numbers of Beijing-oriented communist insurgents, Burma has, since independence, to an important degree been held hostage to China, and its "lean to one communist giant policy" was a reflection of this geopolitical reality.

Following his coup in 1962, President Ne Win re-emphasized Burma's "absolute neutrality", and added to it the concept of the "Burmese Way to Socialism". Principally because of this, Soviet writers have referred to Burma as a "socialist-oriented country".[58] But this by no means indicates that Moscow is popular in Rangoon. While the Burmese have generally maintained correct relations with the Soviets, since the mid-1970s a growing coolness towards Moscow could be discerned. In many ways, Burma has now added deepening concern over the Soviet Union and its Southeast Asian ally, Vietnam, to the fear of China which has obsessed Rangoon since the PRC was founded. One reason for this was

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Rangoon's belief that the Non-aligned Movement was being "subverted" by the Soviet Union and its allies such as Cuba and Vietnam. Rangoon thus announced its disaffection with the Movement — in many ways its first international initiative for many years. In explaining Rangoon's decision to quit the Movement, a Burmese spokesman pointedly referred to the Soviet Union: "Big powers engaged in a behind-the-scenes struggle for exerting their influence on the movement and countries under their influence made moves to further big power interests within the movement, in violation of the basic principles of non-alignment".[59] Moreover, since 1977 Rangoon has shown more overt suspicion of the Soviet Union. This was evident in the sweeping purge of the Socialist Programme Party, which removed a number of Politburo members suspected of pro-Moscow leanings. At the same time, Soviet and Eastern European diplomatic missions were placed under heavy surveillance and a series of Eastern bloc aid projects were phased out or curtailed. These moves were apparently provoked by the discovery of a Soviet and Eastern European spy apparatus aimed at "subverting" the government.[60]

Thirdly, even though Rangoon has on a number of occasions indicated its willingness to act as a mediator[61] between ASEAN and Indochina on the Kampuchean problem, it has nevertheless unequivocally opposed Vietnam's occupation of Kampuchea, and has (like ASEAN) continued to recognize the government of Democratic Kampuchea. For instance, during Nguyen Co Thach's visit to Rangoon in August 1982, the Burmese Government called on Hanoi to "totally withdraw its troops from Kampuchea and to ensure self-determination of its people".[62] Parallel to this growing coolness towards Hanoi and Moscow has been the steady warming of relations with the ASEAN states (in particular Thailand) as well as with the United States.

If developments since the mid-1970s are any guide, Rangoon's relations with Moscow can be expected to remain cool but are unlikely to become hostile, owing to Burma's desire to be seen as a strictly neutral country.

Conclusion

It is clear that there is no unity of views in Southeast Asia regarding the Soviet Union's regional involvement. Because of a perceived Chinese threat and political and diplomatic pressure from ASEAN, the three Indochinese states have welcomed and endorsed Soviet activities in the region. Even though Burma has manifested a degree of coolness towards Moscow, in general their relations have remained correct. In ASEAN, Indonesia and Malaysia tend to downplay the Soviet threat but Singapore, Thailand and, to a lesser degree, the Philippines express greater fear of Soviet activities.

A multitude of factors explain this divergence in views. That Southeast Asia's complex geography, diverse historical experiences, racial and religious heterogeneity, intense nationalisms and competitive economies have produced contradictory strategic perspectives on the Soviet Union should not be unexpected. Also relevant is the domestic milieu: the presence or absence in varying degrees of

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political stability, economic progress and social harmony have all had an impact on strategic perceptions. In this regard, the presence and role of the Overseas Chinese have been crucial. The fear of economically powerful ethnic Chinese, especially in collusion with a powerful China, has had an important impact on the strategic perceptions of Southeast Asian countries. Proximity to "trouble-spots" has been another variable. The further away a state is located from a "crisis zone", the less "hawkish" has been its foreign policy and perception of danger from the dominant actors in the crisis and *vice versa*. This partly explains Indonesia's easier relationship with Vietnam, in contrast to Thailand's conflict with Hanoi. The experience or lack of it of relations with major powers can also be an important variable. Countries which have had long-standing relations with the Soviet Union have tended to be more confident in dealing with it; countries which see the Soviet Union as a new and novel actor in the region and one whose behaviour is beyond comprehension find it difficult to relate easily to the Soviets.

Concern over the Soviet threat is not the main foreign policy preoccupation of the non-communist Southeast Asian states. Rather, they are principally concerned with internal problems and threats, and all fear, in different degrees, the regional activities of all major powers. But the implications of some of the ASEAN states' policies towards the USSR are nevertheless significant. For example, the fact that Indonesia and Malaysia continue to base their foreign policies on the premise of a serious threat from China, in contrast to other ASEAN members such as Thailand, has paradoxically contributed to increased Chinese influence in the region. By being "soft" on the Soviets and Vietnamese, both Indonesia and Malaysia have to some extent alienated Thailand and to a lesser degree Singapore and the Philippines, which have improved their relations with the Americans, Japanese and even the Chinese in order to counter-balance the perceived Soviet-Vietnamese threat. In turn, this has further heightened fear of China in both Kuala Lumpur and Jakarta. This vicious cycle, caused by divergent threat perceptions, has the potential to be very unsettling for ASEAN, especially if the member countries do not adhere more closely to a basic foreign policy consensus and pay greater heed to immediate crises such as Vietnam's occupation of Kampuchea, the Thais' fear of Hanoi, and the continuing expansion of Soviet military power in the region.

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China and the Pacific Basin: Questions and Apprehensions*

STEPHEN UHALLEY, JR.

China has long constituted an unmistakeable presence in the Pacific Basin and Rim region. This is a natural and logical phenomenon, given the physical location of the large East Asian land mass which has for long been occupied by the Chinese people. The physical features and contours of the country alone determine that it will ineluctably impinge upon the destinies of the regions on and beyond its periphery. *Vis-à-vis* South Asia, the high ground of Tibet serves at the very least as the ultimate protective barrier. The long border with the Soviet Union is an unceasing object of sobering contemplation by the latter power. The lengthy eastern coastline with its numerous waterways and bays facilitates access to the Pacific Ocean and to the many peoples who reside within and around it. In Southeast Asia, China enjoys the topographical "overarching massif" advantage, enabling it to dominate the northern reaches of the region's mainland, and just to the east, the region's inland sea, which it ostensibly sees, for all intents and purposes, as a Chinese lake.[1]

The regional presence is, of course, accentuated by the enormous size and creative energy of the Chinese population. Yet, even before the Chinese ethnic stock gained possession of this rich land, China had already figured prominently as the territorial source of many of the peoples who successively came to settle in Southeast Asia and perhaps even as far astream as the Hawaiian Islands.[2] The Chinese were, of course, a propellent for some of these important migrations as a consequence of their own drawn-out occupation of the territory of what is modern China. Finally, numerous Chinese have themselves come to settle abroad throughout much of the greater Basin region, and especially in Southeast Asia. This has enrichened the various host societies in different ways, although the experience has not been without well-known complications for these particular settlers, for some of their indigenous neighbours, and for China itself.

The Chinese presence is formidable, as suggested by its geographical location, size, and population. Thus, even when China is quiescent or is isolated, the presence is felt. The experience of the 1950s and 1960s bears testimony to this. The intensive, systematic efforts to oppose, embargo and boycott China did little to promote the stability or security of the region, and were a strain upon the resources of the United States and its allies. China was denied certain political and economic options, and was only made more dependent upon the Soviet Union. The Chinese political psyche was resentful of such treatment, and this undoubtedly contributed to its revolutionary zeal and to occasional rhetorical bravado. Some of this threa-

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tening behaviour and ill-considered rhetoric was of real concern to other nations, particularly in Southeast Asia. The 1958–59 uncharacteristic assertions of Chairman Mao Zedong, for example, that "We must, without fail, take possession of Southeast Asia . . ." and, "In the future, when it [the Pacific Ocean] is under our control, we will be able to say it is peaceful", were fortunately unpublicized at the time, or the level of apprehension among China's neighbours would have been even higher.[3]

There have been enormous changes since the late fifties. These included even further expressions of radicalism and angry rhetoric within China, especially during the Cultural Revolution of the sixties, with unfortunate ramifications abroad. But the seventies and early eighties have seen the emergence of yet a new New China. This latest rendition of Chinese revolutionary change appears to be a heartening phenomenon. And it is doing rather well in the past several years in terms of a variety of reforms and in economic development.

But China's successes paradoxically raise yet further apprehensions and questions. As China becomes economically more successful it adds to its basic power in the region. If it succeeds with its political reforms it will make the wielding of such growing power more effective, with fuller popular support from the Chinese people. And as these economic and political reforms accomplish their purposes the plans for national unification are more likely to be realized. Barring some unforeseen clumsy behaviour on the part of Beijing, Hong Kong's reintegration with China seems reasonably assured. And as this process moves forward, it is no longer unthinkable that an accommodation might possibly be reached with Taiwan.

This unfolding scheme of a complete national reunification raises, of course, the prospect of a Chinese presence on the Pacific Basin that is of truly awesome proportions. The co-ordinated combination of economically powerful Hong Kong and Taiwan coupled with the developing potential of the Chinese mainland, together with all of their collective international contacts, which in turn are primarily Chinese, is quite an array of economic power. There are, of course, many very difficult problems to be resolved before such an overwhelming prospect actually materializes. Nevertheless, at present, China appears to be making the most of its open-door policy and the opportunity to concentrate single-mindedly upon economic development. Such progress is to be seen in a variety of statistics regularly reported from Chinese official sources, and the achievements are validated by independent appraisals such as that of the World Bank.[4]

With regard to the relationship of this new China and the Pacific Basin specifically, it is already apparent that a new age has been reached. China's involvement with its Asian-Pacific neighbours has reached unprecedented levels of economic and political intercourse. This is not the only feature of the new age coming into being, but China's emerging role in it must be regarded as a historically significant one. If China's presence had made itself felt in the past during protracted periods of relative quiescence, whether such quiescence was the result of self-imposed isolation, internal division and civil war, foreign exploitation and

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invasion, or externally-administered quarantine, then a consciously active involvement in external affairs, centrally planned, and massively implemented, is making a very significant impact. China's intention, of course, is to be a global power and it is active, therefore, across a wide spectrum internationally. But this only makes the impact on the Asia-Pacific region all the greater, for its rising world status coupled with the fact that its most significant economic relationships remain within the Pacific Basin, make its presence all the weightier.

China's sudden, historically unprecedented relationship with the Pacific Basin is apparent to all, although this evolving new age has its other distinctive features which partially obscure and relativize this fascinating development. For example, China is constrained to grow in an environment that is dominated by Japan's truly impressive economic power, a power which may continue to dominate for decades to come.[5] Japan too, is already a genuinely global power, but with a particular interest in the Pacific Basin where its most important relationships similarly obtain. The Soviet Union also shows increasing interest in playing a greater role in the Pacific Basin, although this is confined for the time being to the projection of increasing military power so that its image is not an attractive or constructive one in the region.[6] The United States continues to play an important role, as a very significant economic partner and as the chief provider of security *vis-à-vis* the Soviet military build-up. Very importantly too, the economies of other nations in the region have done exceedingly well in recent years, the examples of which have in turn helped motivate China's determination to undertake bold reforms. The concept of regional co-operation has been promoted by the successes of the sub-regional ASEAN compact, despite the difficulties it encounters. These are the main ingredients of the Pacific Age, and its geographical designation is the dominant characteristic of this most interesting, relatively peaceful new age. There are other features which are shared with the rest of the globe, such as the momentous changes that have been taking place in the world economy. As Peter Drucker perceptively observes, these include the separation of the primary-products economy from the industrial economy, the uncoupling of production from employment within the industrial economy itself, and the development of capital movements rather than trade as the driving force of the world economy.[7] These are developments, along with the spectre of protectionism, that must be contended with by the new open China as by the rest of the countries in the Pacific Basin.

Placing China's new modernization programme and outward orientation in this context should help make the phenomenon more comprehensible and appear less threatening. Nevertheless, for reasons already stated, within the region particularly, the phenomenon of China's arising is worthy of careful consideration. The immediate problem is that while awareness of what is occurring is useful for all concerned, there may be a tendency to become unduly concerned and to over-react. This is primarily a perceptual problem. China's magnitude is such that whenever it stirs, it produces vibrations and consternation along its periphery, especially among the smaller nations that seem to have points of vulnerability.

Historical precedent can be cited for Chinese pressure or intervention along

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its periphery, from early times to very recent years, including the moral support which the Chinese Communist Party (CCP) still insists on providing to local revolutionaries. These instances must be taken into consideration. Certainly, China has used a variety of policies to advance its national interests over the centuries.[8] But if the historical argument is to be used, one would also have to concede that, considering the advantages and opportunities China has often had, what is really remarkable is that it has not chosen to exploit these very much. In fact, a cardinal feature of Chinese history would seem to be that, with few exceptions, China has been as restrained as it has been in pursuing adventures abroad.

This is not to suggest that there had not been Chinese expansionism in the past, especially in the south. The record of such expansion is clear enough. Furthermore, as Yu Ying-shih points out, such southward expansion, especially in Vietnam, was ushered in by trade.[9] However, Vietnam proved to be resilient, and effectively precluded further advance by China to the south. But even in the pursuing of trade to the south, and even though that trade extended as far as the Bay of Bengal as early as Han times, Chinese merchants for centuries remained curiously passive. Even though China presumably could have long dominated the Nanhai trade, this passivity did not change until the Yuehs, who had long handled the trade, were basically assimilated. As a consequence of such passivity, China had little influence on the development of the civilizations of Nanhai.[10] This afforded the peoples of the south opportunity to evolve their individual national characteristics that would in turn promote self-confidence and resolve in dealing with China when the latter was more assertive.

China did eventually turn its attention for a time to the sea, and beginning in the Song dynasty, did become a formidable sea power. The congruence of a number of factors explained this historic reorientation, including the momentum of a shift of economic and population centres to the southeastern littoral; an intellectual and cultural expansiveness; a broadening of geographical knowledge; further developments in shipbuilding and navigation; interest by the state in economic ventures along with the growth of a money economy and the rise of an influential merchant group which fostered maritime interests; and, finally, a condition of constant warfare which stimulated military innovations on land and sea, and which disrupted the traditional Central Asian trade.[11] The Mongols subsequently inherited, expanded-upon, and considerably abused this maritime power. The Ming in its turn inherited the fleet and for a time developed it with spectacular results. However, the formidable expeditions that ventured across the Indian Ocean interfered in local politics along the way only marginally.[12]

The tributary system such power securely established did indeed bring further profits. China did after all enjoy a historic favourable trade balance until the 1830s. But if the tributary system satisfied China's vanity, further enriched its coffers, and provided stability along its periphery, it was a system that was usually well used by others as well.

In any event, by the mid-fifteenth century, the Chinese suddenly abandoned their maritime orientation and advantage.[13] The succeeding Qing dynasty revived

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and developed the tributary system.[14] Sarasin Viraphol has shown how this system served both Chinese and Siamese interests, legitimizing official trade and accommodating private trading on the side, in the course of which the Siamese contributed to the development of the extensive Chinese junk trade.[15] However, apart from a brief renaissance in naval tactics, occasioned by the rebellion of Zheng Chenggong in the late seventeenth century, the Manchus in their turn did not seriously develop the navy.[16] This neglect, along with eventual severe dynastic decline, rendered China especially vulnerable to the vastly superior naval technology of the British by the time of the Opium Wars.

This is all by way of suggesting that apart from the experience over the centuries with Vietnam, China's size and proximity, whether its power was great or not, was not necessarily deleterious to interests elsewhere in Southeast Asia. This is an important distinction to make clear. The Chinese have long had a kind of national consciousness, although it has been culturally softened to a marked degree. In any case, unlike some of their neighbours, the Chinese seem to have been very slow to become aggressive. When they have, it has usually been a matter of retaliation, or to serve a purpose conceived to be defensive.

Of course, there is the experience since 1949 with regard to local insurrection and the status of the "Overseas Chinese". It has not been an untroubled time for all parties concerned. Certainly, China's record in this period was highly inconsistent. But this was true of the Chinese record as a whole, both at home and abroad, during the first two decades of communist rule.

What is important is that it is a very different China that is blossoming forth today. Indeed, it can be said that had China not made some fundamental change of policies it would still be a much more troublesome factor in the region, and it would not in all likelihood be blossoming. The open-door policy, with its supportive changes within the country, make China a much more congenial neighbour, and does seem to promote greater regional stability, as the Chinese themselves generally claim today.[17]

Of course, the difference is more in terms of attitude and policies than systemic, for China remains a socialist nation, led by a communist party. The important, sweeping changes that are taking place are being directed by the party's current leadership, with the so-called "four principles" prominently publicized, assuring the party's unchallenged role and a fundamental socialist orientation for the country. This means that policies could conceivably change again, swiftly and comprehensively. But the chances are that this may not happen. Change is being pursued relentlessly, despite the fact that the pace has slowed during the current intentional consolidation phase. Even so, some very sensitive imminent political changes are now under discussion, and there are further significant economic changes in the offing. In the meanwhile, Chinese within and without China are speaking more and more boldly about their ideology, their politics, and their system.

It is this fascinating new China that has suddenly emerged in the Pacific Basin, anxious to participate in the mainstream of the global and regional commu-

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nities, as it strengthens its base for an even greater role in the future. Since it is advisable to play the ball as it lies rather than become transfixed by speculative fancies, it may be useful to dwell on identifiable questions or problems that can be reasonably discussed at present. Such a dialogue, particularly with responsible Chinese scholars and officials, may help shape their own constructive approach to a future that can be better for China and for others in the region.

There are a number of questions. For the purpose of this paper, I can only state them, and perhaps provide a brief response.

To begin with, what are the prospects for continued success of the reforms within China? How strong is the resistance? How much more deeply can the changes go, both economically and politically? The reformists themselves are aware that further economic changes are dependent upon political reform. The year 1986 was conceded to be one of consolidation, so that the fact that there have not been particularly notable changes in the year should be seen in such light. Nevertheless, one might ask if it is reassuring that the party leadership felt the need for the extraordinary meeting of 8,000 cadres in January 1986 to initiate a new anti-corruption campaign, even though it may have afforded Deng Xiaoping an opportunity to unleash some of the younger leaders around Hu Qili or Qiao Shi. Even so, consider all the attention that has been given to corruption in recent years, including the fact that the party is still in the midst of its three-year rectification campaign. Moreover, is it encouraging that the bureaucracy has actually been expanding in the face of the streamlining of the past four years? Finally, in pursuing elusive political reform, is it really possible to attempt what may be necessary under the constraints of the "four principles" which precludes basic thinking regarding the role of the party?

This uncertainty relates, unfortunately but inevitably to the question of the Chinese Communist Party's continuing relationship with revolutionary parties in Southeast Asia. Just how is the Chinese leadership going to handle this delicate matter? Confining the relationship to moral support only, as a matter of principle, is understandable from the point of view of the CCP and its global party-to-party relationships and ideological aspirations. But it remains a very understandable irritant to several governments in the region, which is not necessarily fully compensated by the unpromising prospects of the revolutionaries at this time, nor by the benefits of greater trade with China.

To some degree, China's pressure on Vietnam is well-appreciated in the region. The Vietnamese occupation of Kampuchea has given many disparate quarters outside Indochina a concern which they can share, and which provides opportunities for co-operation that has not previously been available. But this is not necessarily a permanent concern, and there are aspects to China's role with regard to the issue that are somewhat disquieting. Even though the Chinese have tried to distance themselves from Pol Pot, there are still problems with the Khmer Rouge. Moreover, do the Chinese have to be as excessive on this issue as they appear to be? Is it the case that China is perpetuating rather than helping to resolve the issue as

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some claim, and sees the Kampuchean issue as perhaps its only means of asserting itself as a regional power at present?[18]

Will China continue to pursue consistently a thoughtful policy regarding the "Overseas Chinese"? This is, of course, a central issue. It has been written about very well by a number of excellent scholars.[19] This is an issue which China can influence, either consciously or inadvertently. But it also requires thoughtful policies on the part of various governments in Southeast Asia.

To what extent is China becoming a competitor for market share and for investment capital, including international organization loans, in the region? This is a complex question, or set of questions, and John Wong has already considered some of the trade possibilities.[20] The Chinese concede that there is and will be some competition. They are concerned about having come into the market late, and having the need to obtain for themselves a fair share of or "access" to what is to be had. They hope that as the accommodation proceeds, the complementarities will outweigh the competitive aspects.[21] Of course, China holds forth the prospect of a share in the Chinese market, the size of which and when it will materialize remain related questions. This is an invaluable talking point for Chinese negotiators. In the meanwhile, the Chinese record is a reasonably good one. China has been considerate in the establishment of trade ties. China has also been a generous foreign aid provider over the years, and although such aid is now becoming perhaps less generous and more relatable to other ties, it is an important factor to keep in mind as China avails itself of available loans from international lending agencies.[22]

What are the prospects of China continuing to co-operate in the growing economy of the region, and in resolving problems constructively? Ultimately, this depends upon the success of the reform programme in China, but otherwise the prospects do seem to be reasonably promising. China has shown a willingness to compromise recently, as in the instance of admission to the Asian Development Bank. China has also shown substantial interest in Pacific Basin co-operation, although it has been concerned about the possibility of Japanese or American domination of organizational structures to promote such co-operation.[23] Until late 1986, its representatives had participated only informally at privately sponsored meetings on the subject.[24] However, in November 1986, China participated in an important meeting of the Pacific Economic Cooperation Conference (PECC) in Vancouver. China is, after all, interested in a stable and peaceful environment in which its modernization programme can be successfully nurtured.

What are the ramifications of the huge merchant marine which the Chinese are expanding and modernizing? Will this prove to be an asset that will benefit China exclusively? Or will it also be helpful to other trading nations in the region? To what extent will the Chinese develop their incipient blue water naval capability? The strategic decision to add this capability was made in the mid-1970s, according to David Muller.[25] There is justification for the development of such a maritime power capability, in the light of fishery interests, the expanding merchant marine, the offshore petroleum investments, the disputed claims in adjacent seas, as well as

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the perceived threat from the Soviet navy at present. The navy, partly because of its maritime successes in the past decade or so, is in a favoured position among the Chinese political and military leadership. There seem to be further plans to strengthen this renewed maritime orientation. Bruce Swanson reminds us, however, of the poor record China has had in maintaining constant growth and planned naval and maritime programmes.[26] Nevertheless, there is increasing evidence that progress is being made consistently in this area. This includes improving and expanding port facilities,[27] investing in newer ships regardless of the current glut in world shipping,[28] and in the improvement of naval vessels.[29] The navy has also been engaging in bolder exercises.[30]

China is, thus, venturing further into the Pacific Ocean itself, and this is another truly unprecedented facet of its open-door policy. High level visitations from China to several of the island nations of the Pacific Basin and similar visits on the part of their government leaders to China have already produced trade compacts, Chinese aid, and good feelings. How far is China to become involved in the experience of these island peoples? To what end?

These are questions that readily flood the mind in the face of this fascinating new phenomenon — an unbinding China, suddenly so active globally, and with special intensity regionally. It would seem to be a matter of accommodation. The raising of questions, the listening to responses, and the learning of new questions may help promote a dialogue with our giant neighbour that will make the process of accommodation more comfortable for all.

NOTES AND REFERENCES

*This paper was originally presented to the 10th Conference of the International Association of Historians of Asia, 27–31 October 1986, Singapore.

1. See Lim Joo-Jock, *Territorial Power Domains, Southeast Asia, and China: The Geo-Strategy of an Overarching Massif* (Singapore: Institute of Southeast Asian Studies, 1984).
2. With regard to the origin of Hawaiians and other Polynesians, Dr Young Ki Paik, director of the laboratory at St Francis Hospital in Honolulu, contends that on the basis of a study of blood samples, Polynesians are not related to Melanesians of the Western Pacific, but to Austronesians who originated in China somewhere north of the Tropic of Cancer. These people reached Taiwan, enroute to islands in the Pacific, some 6,000 years ago. Dr Paik has written a paper on this hypothesis with Melani Yoshida, Livingston Wong, and Min Park. See Jan TenBruggencate, "Study: Hawaiians originated in China", *Honolulu Advertiser*, 7 October 1986, p. B 1.
3. The first quote is from a speech Mao made to the Central Committee in September 1959, the second from comments at a Military Council Conference in June 1958. Both were revealed in a polemic by V. Alexandrov (a pseudonym) in *Pravda*, 14 May 1977.
4. See World Bank, *China: Long-Term Development Issues and Options* (Baltimore: The Johns Hopkins University Press, 1985).
5. Ezra Vogel speculates that "Future historians may well mark the mid-1980s as the time when Japan surpassed the United States to become the world's dominant economic power". "Pax Nipponica", *Foreign Affairs*, Spring 1986, p. 752.

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6. See, for example, Richard H. Solomon and Masataka Kosaka, eds., *The Soviet Far East Military Buildup: Nuclear Dilemmas and Asian Security* (Dover, Mass.: Auburn House, 1986).
7. See Peter F. Drucker, "The Changed World Economy", *Foreign Affairs*, Spring 1986, pp. 768–91.
8. See, for example, Michael H. Hunt, "Chinese Foreign Relations in Historical Perspective", in *China's Foreign Relations in the 1980s*, edited by Harry Harding (New Haven: Yale University Press, 1984), pp. 1–42.
9. Ying-shih Yu, *Trade and Expansion in Han China: A Study in the Structure of Sino-Barbarian Economic Relations* (Berkeley: University of California Press, 1967), p. 182.
10. Wang Gungwu, "The Nanhai Trade: A Study of the Early History of Chinese Trade in the South China Sea", *Journal of the Malayan Branch of the Royal Asiatic Society* 31, Pt. 2 (1958): 1–135.
11. See Jung-pang Lo, "The Emergence of China as a Sea Power during the Late Sung and Early Yuan Periods", *Far Eastern Quarterly* 14, no. 4 (1955): 489–504.
12. See Wang Gungwu, "China and South-East Asia 1402–1424", in *Studies in the Social History of China and South-East Asia*, edited by Jerome Ch'en and Nicholas Tarling (Cambridge: Cambridge University Press, 1970), pp. 375–401.
13. See Jung-pang Lo, "The Decline of the Early Ming Navy", *Oriens Extremes* 5 (December 1958): 149–68.
14. See John K. Fairbank and Ssu-yu Teng, "On the Ch'ing Tributary System", in *Ch'ing Administration: Three Studies* (Cambridge: Harvard University Press, 1961), pp. 107–246.
15. Sarasin Viraphol, *Tribute and Profit: Sino-Siamese Trade, 1652–1853* (Cambridge: Harvard University Press, 1977), pp. 3–4.
16. See, for example, Bruce Swanson, *Eighth Voyage of the Dragon: A History of China's Quest for Seapower* (Annapolis: Naval Institute Press, 1982), pp. 54–72.
17. See, for example, Pei Monong, "China's Role in the Asian-Pacific Economy and Its Impact", *International Studies*, No. 1 (January 1986): 1–9.
18. See, for example, Gareth Porter, "China in Southeast Asia", *Current History*, September 1986, pp. 249–52, and 278.
19. Among the best of these writers are Chang Pao-min, John M. Chin, Charles A. Coppel, C.P. FitzGerald, Stephen FitzGerald, Michael R. Godley, Michael A. Goldberg, Peter Gosling, Linda Y.C. Lim, J.A.C. Mackie, Victor Purcell, Leo Suryadinata, Wang Gungwu, Lea E. Williams, and Edgar Wickberg.
20. John Wong, *The Political Economy of China's Changing Relations with Southeast Asia* (London: Macmillan, 1984), pp. 20–30.
21. Remarks made by Mr Ji Guoxing, Senior Researcher and Director of Asian Studies, Shanghai Institute of International Studies, in Honolulu, 10 October 1986.
22. See John F. Copper, "China's Foreign Aid Program: An Analysis and Update", in Joint Economic Committee, *China's Economy Looks Toward the Year 2000. Vol. 2. Economic Openness in Modernizing China. Committee Print*. 99th Congress, 2nd Session (Washington, D.C.: U.S. Government Printing Office, 1986), pp. 499–519. See also Wolfgang Bartke, *China's Economic Aid* (New York: Holmes & Meier, 1975).
23. See Stephen Uhalley, Jr., "China's Role in the Emerging Pacific Community", *China's Reform Politics: Policies and Their Implications* (Seoul: Sogang University Press, 1986), pp. 261–82; and Herbert S. Yee, "China and the Pacific Community Concept", *World Today*, February 1983, pp. 68–74.
24. See Mark Borthwick, "Pacific Basin Institutions: Current Directions and Future Possibilities", in Ronald A. Morse, et al., *Pacific Basin: Concept and Challenge* (Washington, D.C.: Center for National Policy, 1986), pp. 47–56.
25. David G. Muller, Jr., *China as a Maritime Power* (Boulder: Westview Press, 1983).
26. Bruce Swanson, "Naval Forces", in *China's Defence Policy*, edited by Gerald Segal and William T. Tow (London: Macmillan, 1984), p. 96.
27. See Yen Qingbin, "Ports: Port development a priority", *Maritime China*, Winter 1985, pp. 57–64.

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28. Chai Shufan, *Intertrade*, August 1986, pp. 47–48.
29. See Tan Wei-wen, "China's Navy Builds New-Type Warships", *Ming Pao* (3 June 1986), p. 10, in *Foreign Broadcast Information Service* (hereafter *FBIS*) *China Report*, 5 June 1986, p.W 2.
30. The Chinese navy completed one of its most extensive exercises yet in the Western Pacific in May 1986, using a fleet of six warships and several bombers. The manoeuvres were carried out in the East China Sea and the Western Pacific near Iwo Jima Island. The exercise marked a "major milestone in China's longterm drive to develop a 'blue-water' naval capacity", according to an international military source. *Agence France Presse* (Beijing), 3 June 1986; in *FBIS China Report* (4 June 1986), p.K 1.

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The U.S. Military Facilities in the Philippines*

F.A. MEDIANSKY

> Nowhere in the world are we able to use our military bases with less restrictions than we do in the Philippines (Staff Report, U.S. Senate Committee on Foreign Relations, 1970).

Every U.S. military operation in the Western Pacific has made some use of the military bases in the Philippines. For example, the American military contingents sent out in 1900 to enforce Washington's "open-door" policy in China were staged through the Philippines. Seventy-five years later, the bases played a key role in the rapid military response to the Cambodian capture of the American ship, the *Mayaquez*.

The strategic location of the islands was recognized by the Commander of the American colonial forces in the Philippines, General Arthur MacArthur.[1] More than half a century later, a similar appreciation was given to the Congress by the retiring Commander-in-Chief of the U.S. forces in the Pacific (CINCPAC), Admiral Long, when he said:

> The strategic importance of the Philippines . . . is readily apparent. . . . The Philippines sits astride the vital sea and air lanes of the Western Pacific and the gateways to the Indian ocean. It is in close proximity to Soviet installations in Vietnam.[2]

Since the U.S. military withdrawal from mainland Southeast Asia in the mid-1970s, the only facilities that remain under American control in the region are the major naval and air installations in the Philippines. These now serve as principal forward bases for the United States Pacific Command (PACOM). Created on 1 January 1947, PACOM is geographically the largest of the American unified military commands. It is responsible for almost all military operations in an area covering roughly 50 per cent of the earth's surface stretching from the west coast of the United States to the east coast of Africa and across the Pacific, from the North to the South Pole.

The Philippine bases support the U.S. military posture in three operational regions. These are the Indian Ocean, Southeast Asia and, to a lesser extent, Northeast Asia. In addition, the facilities are geared to support operations in East Africa and are regarded as the "back door" to the Middle East. Their importance has been further enhanced by the Soviet access to naval and air facilities in Vietnam which are located some 700 miles away.

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In the Southeast Asian context, the bases have become more important over the past decade for two reasons. Firstly, in the wake of the Guam Doctrine the military presence in the Philippines became the single most important illustration of U.S. interest in regional security. Without the bases the post-Vietnam authority of the United States would have been further eroded. Secondly, the bases have come to represent the countervailing American posture to the growing presence of the Soviet Union in Vietnam. The bases are not only substantial elements in the regional superpower balance, but also an illustration of U.S. regional pre-eminence. For these reasons, the facilities are seen in a positive light by the Pacific allies of the United States, as well as by the other ASEAN states and China.

The bases are also welcomed by America's regional allies in another respect: so long as these remain in the Philippines, regional allies such as Thailand and Australia need not face the complex strategic and domestic complications that would arise from American requests to provide additional land support facilities.

During World War II, the United States seized the islands of Micronesia from Japan and so came to control nearly all the islands of the Pacific north of the Equator and between the west coast of the United States and the Philippines. U.S. military facilities in Micronesia, together with its major installations on the U.S. west coast, Hawaii, Japan and the Philippines, make up an interlocking basing system in the Pacific. This system provides U.S. forces with an unrivalled ability to project military power throughout the region.

As elements of the Pacific basing system, the air and naval facilities in the Philippines should be appreciated in the wider context of the missions of PACOM. These missions can be summarized as:

1. the protection of U.S. territories in the Pacific;
2. the maintenance of a regional deterrent posture *vis-à-vis* the USSR;
3. the security of air and sea lines of communication;
4. co-operation with local allies and China.

In order to carry out these missions, PACOM operates a network of bases in the Pacific and Indian oceans which provide a) forward staging facilities; b) large-scale repair, maintenance and replenishment facilities; c) in-theatre command, control, communications and intelligence facilities; d) pre-positioned general purpose forces and support for their peacetime (especially training) activities; and e) power projection capabilities.

United States Naval and Air Facilities in the Philippines

Though used extensively by the Seventh Fleet, the Subic Bay Naval Station is the home port for only one submarine and a cruiser. Across the bay from the Subic Naval Station is the Naval Air Station at Cubi Point. It has been described as the "home-away-from-home" of the Seventh Fleet's attack and strike force. Its airfield is used by naval aircraft when their carriers are in port or operating in nearby waters. Activities at Cubi Point have intensified in the 1980s in connection with the almost continuous deployment of U.S. carrier battle groups in the Indian Ocean.

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Located north of Subic Bay, Clark Air Force Base is now the only operational U.S. Air Force facility in Southeast Asia. Major associated facilities are the Crow Valley weapons range, Wallace Air Station and Camp John Hay. Clark Field itself is the headquarters of the U.S. Thirteenth Air Force, which has command and control of air force operations in the Western Pacific. Major units based at Clark include a tactical fighter wing and a tactical airlift wing. The two tactical fighter squadrons of F-4 aircraft possess the only permanent all-weather air defence capability of the U.S. Air Force in the region. The C-130 aircraft of the tactical airlift squadron provide airlift capability for PACOM operations over the Pacific and Indian Ocean regions.[3]

In all, the U.S. military facilities in the Philippines have five major functions: logistics support; repair and maintenance; training; command, control, communications and intelligence; and personnel services.

Logistics Support. Before going on to the Indian Ocean, carrier battle groups and other naval units are reprovisioned at the Subic Bay naval complex, which is the largest naval supply depot outside the United States. The Naval Supply Depot stores a substantial part of the Seventh Fleet's pre-positioned wartime reserves.

Clark is often described as a superb logistics support base. It has long been the air logistics hub of the Southwest Pacific and, more recently, of the Indian Ocean as well. It is the only facility from which fully loaded C-5A transport planes can fly directly (non-stop) to the U.S. military base of Diego Garcia in the Indian Ocean. Clark has extensive petroleum, oil and lubricants (POL) storage capacity and can be used to pre-position supplies.

Repair and Maintenance. Both Subic and Clark have extensive repair and maintenance facilities. Subic carries out about 65 per cent of the Seventh Fleet's repairs. Its four dry docks can handle all ships except carriers and battleships. The nearest alternative repair facilities are some 1,500 miles east at Guam's Apra Harbour. Clark's workshops can repair, maintain and re-build aircraft engines. An additional attraction is that the repair, maintenance, conversion and alteration services of the two bases involve only about one-seventh of the labour costs in the United States.

Training. The training facilities of the Clark and Subic complexes are the most extensive available to PACOM forces outside the United States. The Crow Valley weapons range at Clark has sophisticated bombing, gunnery and electronic warfare facilities, as well as simulated surface-to-air missile installations. These, together with extensive offshore airspace and the "aggressor" training squadron, provide a much valued battlefield realism in preparing pilots for combat. Virtually every element of naval warfare can be exercised at Subic Bay and its associated facilities.

Command, Control, Communications and Intelligence (C^3I). The Thirteenth Air Force based at Clark has command and control of Pacific air force operations in

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the Western Pacific; and especially of the Southern Air Defence Region, which incorporates the Philippines, and the Trust Territories of the Pacific Islands, excluding the Marshalls. In July 1981, the U.S. Navy home-ported the guided missile cruiser, USS *Steret*, at Subic Bay. This vessel serves as the flagship for the Commander, Surface Combat Force, in forward deployment of the Seventh Fleet.

The communications facilities at the Philippine bases are the western hub of U.S. PACOM's long-haul systems. The naval and air facilities in the Philippines serve as major communication centres in the Western Pacific. The circuits at the station link it to vessels at sea-to-shore stations throughout the world.

The bases in the Philippines also serve as an intelligence centre in the Western Pacific. Ships and aircraft operating from the Philippines enable the United States to maintain continuous surveillance of Soviet activities in and from Vietnam. The P-3C Orion long-range surveillance aircraft operating from Cubi Point undertake routine surveillance of Soviet naval activity. Cubi Point is also believed to be a ground facility for the Guam-based intelligence aircraft which collect electronic (ELINT) and signals intelligence (SIGINT).

Personnel Services. The U.S. Air Force maintains a regional medical centre at Clark and the Navy has a similar facility at Subic with branches at Cubi Point and San Miguel. The John Hay Recreational Center has extensive rest and recreational facilities and a major regional conference centre.

Base Agreements

The security relationship between the United States and the Philippines rests on a number of formal agreements, most of which were negotiated shortly after Philippine independence. In addition, the 1954 Manila Pact remains in force though in the post-Vietnam war years it has ceased to have any practical relevance to the U.S.-Philippine security relationship. The most important agreements are the Military Bases Agreement (MBA), the Military Assistance Agreement, and the Mutual Defence Treaty. Under the MBA of March 1947, the United States acquired the right to retain the use of 16 bases (including Clark Field and Subic Bay). Access to these bases was provided rent free for 99 years. The Military Assistance Agreement was signed a week after the MBA and formalized the post-war transfer of U.S. war surplus stock to the Philippines. Thus, from the outset, U.S. military assistance was linked to the basing arrangements. The United States-Philippine Mutual Defence Treaty was signed on 30 August 1951. This element of the Pacific alliance network was established by Washington during the early phase of the cold war in the Far East. Like the other treaties in the region, this Treaty established a consultative security relationship which is expressed in broad terms.

The comprehensive and unconfined terms of the MBA soon aroused widespread criticism in the Philippines largely because it was seen as compromising national sovereignty. By the mid-1950s, it became evident that the MBA needed modification to bring it in line with prevailing domestic sensitivities. In September

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1954, Secretary of State Dulles said that as U.S. forces were deployed in the Philippines, any attack on the latter would be "an attack on both". His government, however, resisted the inclusion of additional provisions under the Mutual Security Treaty. A succession of efforts were also made to reconcile the basing arrangements with concerns about Philippine sovereignty. The joint statement by President Magsaysay and Vice-President Nixon in 1956 affirmed Philippine sovereignty over the bases and, three years later, the Bohlen-Serrano agreement reaffirmed that sovereignty and reduced the duration of the MBA from 99 to 25 years. Philippine sovereignty over the bases was reaffirmed on two occasions in the 1970s — by the Ford-Marcos communiqué of 1975 and by the Marcos-Mondale communiqué of 1978. The latter established the framework for regular reviews of the MBA, and two such reviews (in 1979 and 1983) have been concluded. As a consequence of these, the bases were formally designated as Philippine bases; Filipino base commanders were appointed; large tracks of land attached to the bases were reverted to the Philippines; and improved consultative arrangements were introduced. While the Philippines became more closely involved in the management of the bases, the United States nevertheless retains the right to conduct unhampered military operations.

Compensation for the bases has been an enduring concern. The United States has resisted paying rent for bases which formally operate in the interests of common security objectives. While military assistance has from the outset been closely linked to the base agreements, Manila has found the arrangements unsatisfactory because it considers them to be inadequate and too uncertain. By the early 1970s for example, Thailand had received over US$400 million in aid and South Korea over US$600 million, while the Philippines had received about US$50 million.[4] Washington attempted to rectify these anomalies during the 1979 base negotiations. While the United States has resisted the payment of rent, the Carter Administration did undertake to make its "best efforts" to provide US$500 million in military and economic aid over the subsequent five-year period. This formula was used again in the 1983 negotiations whereby the Reagan Administration undertook to provide US$900 million over the following five years. While these provisions went some way to improve and regularize compensation, they fall short of Philippine expectations. A major concern is that the "best effort" formula is less than a firm contractual obligation and that it has been used by the U.S. Congress to exert substantial influence on domestic politics. While the Aquino government would hardly object to past pressures on Marcos, Washington's ability to use aid commitments (which are seen as compensation for the base) is bound to offend Philippine nationalistic sentiment and will undoubtedly be resisted in any arrangements after 1991.

The Bases and Nuclear Weapons

Domestic opposition to the bases has been growing.[5] This opposition partly stems from the widely held belief that the United States keeps nuclear weapons at Subic

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and Clark.[6] For its part, the U.S. policy of not commenting on nuclear weapons storage has been effectively adhered to and so the question cannot be resolved conclusively.

Some *prima facie* evidence suggests that nuclear weapons have been, or are, stored in the Philippines. Retired Admiral Gene La Roque of the Centre for Defence Information in Washington has argued in Congressional testimony that Subic "is probably the major naval storage point for tactical nuclear weapons in the Western Pacific".[7] On the other hand, a recent and well documented study by William Arkin and Richard Fieldhouse claims that "nuclear weapons are no longer permanently stored in the Philippines".[8] In an interview, Arkin said that the United States probably ceased the permanent storage of nuclear weapons in the Philippines in 1974 as part of the substantial reduction of its nuclear weapons in the Pacific which cut the number of regional storage sites from sixteen to two between 1970 and 1980.[9]

According to recent reports in Canadian newspapers, the Philippines, along with seven other nations, is listed in U.S. contingency plans for the deployment of nuclear weapons.[10] In addition, an increasing number of naval vessels which stage through the Subic naval base carry nuclear weapons or are nuclear weapons capable. The attack squadrons aboard the aircraft carriers calling at Subic are nuclear-capable and many surface combatants — such as frigates and larger vessels in the U.S. navy — carry dual purpose ASROC launchers which are suitable for nuclear weapons. The multi-purpose design of new weapons, such as the Tomahawk naval cruise missile, also serve to obscure further the distinction between conventional and nuclear weapons.

While the belief that nuclear weapons are stored in the Philippines does not seem well founded, the bases undoubtedly support the regional nuclear posture of the United States and, therefore, support the widely held belief in the Philippines that the bases are "magnets for attack". It should, however, be recognized that the bases do not support military operations which threaten the Soviet homeland and this factor is no doubt reflected in Soviet targeting priorities.

When in opposition, some members of the present Philippine government had expressed support for establishing a nuclear-free zone in Southeast Asia. Their theme was taken up by the then Deputy Foreign Minister, Mrs Leticia Shahani, who said that her government would take a stronger stand on "nuclear arms tests in the Pacific, the storage of nuclear arms at the U.S. bases and the presence of nuclear-armed ships in the region."[11]

Though not clearly expressed, opposition to the bases is widespread in the Aquino government.[12] The government, however, has given repeated assurances that the current basing arrangements will continue until 1991.[13] Afterwards, the picture becomes less clear. No doubt in response to domestic opinion, the new President has said that she expects any new base agreement to be subjected to a referendum.[14] Whatever the post-1991 arrangements, it is becoming increasingly evident that the Aquino government — as it is now constituted — will seek substantial modifications to the current arrangements.

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Basing Alternatives

The continued unhampered use of the Philippine bases facilities after 1991 is unlikely. The bases are becoming more unpopular for a number of reasons. Firstly, they have become a rallying symbol for a growing sense of nationalism which has, at times, assumed an anti-American stance. Secondly, Soviet military power in the region enables critics of the bases to claim that the facilities have become a net liability to the security of the Philippines. Thirdly, the bases have been long associated with the unpopular Marcos regime. Under these circumstances, it is only prudent for the United States to look elsewhere with a view to dispersing its military facilities in the Western Pacific and so minimize the impact of the likely curtailments in the Philippines, or even possible eviction — contingencies which cannot be ruled out in the 1990s.

Alternative facilities should, ideally, have a complex of characteristics including: strategic location; secure tenure; geographic features that permit extensive support, maintenance and training facilities; and finally a large pool of skilled low-cost labour. While no single alternative to the Philippine bases can be identified, it is possible to envisage multiple basing combinations elsewhere in the region that can replicate the military assets on Luzon island — though at greater cost and reduced convenience.

Located more than 1,500 miles east of the Philippines, Guam already hosts extensive U.S. air and naval facilities. These are the Andersen Air Force Base, the Naval Stations at Apra harbour and Agana and various military communications facilities.

Long-range bombers and KC-135 refuelling aircraft at Andersen provide the United States with long-range conventional strike, mine-laying and ocean surveillance capabilities in the Western Pacific and the Indian Oceans.

The Naval Station at Apra harbour has major facilities to support the Seventh Fleet and the anti-submarine warfare (ASW) operations of the Third Fleet. The station has extensive repair and storage facilities. Apra's major drawback, when compared to Subic, is its smaller harbour, which is not suited to handle the largest surface combatants of the Fleet. The labour force is small and its cost is much higher. The Naval Magazine to the south of Apra is a storage facility for naval and marine nuclear weapons. The Magazine also stores a full range of conventional weapons.

Guam is a major military communications centre which also carries out a range of intelligence tasks. The naval air station at Agana is the centre for surveillance and ASW operations in the Western Pacific. It is the headquarters of the Fleet Air Reconnaissance Squadron Three (VQ-3), which is the only airborne signals intelligence unit in the Pacific. This unit collects radar signals and other communications from the Soviet Pacific Fleet, as well as from China and North Korea.

Other intelligence-related facilities are located on Kwajalein Atoll in the Marshall Islands. These provide the Space Defense Center with data on foreign

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launches, space object identification, satellite cataloguing activity, and deep space satellite surveillance. The main purpose of these activities is to provide information on Soviet and Chinese missile capabilities and to act as part of the missile attack warning network. Kwajalein's main function, however, is as a missile research, development, testing and evaluation facility. In this role, it plays a central part in all U.S. ballistic missile development and operational testing programmes.

Under a Compact of Free Association, the United States has negotiated for the right to establish military facilities on the territories of Palau and the Federated States of Micronesia as well as the Marshall Islands. There are already extensive land leases in the Northern Marianas which, while not developed, are used for training. The Navy, Air Force and the Marines regularly train on Tinian, which has a large airfield and extensive associated facilities.

Though limited, there are prospects for gaining access to land support facilities in Southeast Asia and Australia. Singapore has good ship-repair and refuelling facilities, which could be made available to the U.S. Navy on a non-exclusive basis. Singapore's location adjacent to the Malacca Straits is attractive and since 1978 it has allowed American reconnaissance flights from its territory. Singapore's major drawbacks are the severe limitations of land space, the commercial and non-exclusive access to its dockyards, and higher labour costs. Though Thailand withdrew its land support facilities from the U.S. military after the fall of Saigon, it has become more flexible in the mid-1980s about allowing U.S. access to its facilities. Thai security interests and its dependence on U.S. military support have made it more accommodating to American regional requirements.

While distantly located from the focus of PACOM deployments, Australia would almost certainly agree to some additional assistance if military access to the Philippines became more problematic. In that event, a recent Congressional Research Service study stated that, "an aircraft facility in Australia, with or without a naval base on Australia's Indian Ocean Coast, would be part of" options that are mostly likely to be exercised.[15] The U.S. Navy already enjoys some access to Australian facilities and its units in the Indian Ocean regularly use the Australian naval base at Cockburn Sound. A major naval communications station is jointly operated at Northwest Cape. The United States has also expressed interest in prepositioning fuel in Western Australia for the use of its naval units in the Indian Ocean. The Guam-based B-52 aircraft also exercise over Australia and have staging rights in northern Australia. Though Australia is unlikely to agree to home porting, it would probably extend further support facilities — especially in the context of a wider regional effort to meet the requirements which would arise from loss of access to the Philippines.

The Philippine Bases and U.S. Strategic Objectives in the Pacific

An appreciation of the Philippine bases needs to be considered on two levels. Firstly, in the context of U.S. warfighting strategy, and secondly, in relation to U.S. regional requirements.

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U.S. objectives in the Pacific are primarily focused on Soviet capabilities and objectives. In the light of the unfavourable geographic factors associated with its military facilities in the North Pacific and the clear superiority of U.S. PACOM forces, the Soviet Union's objectives in the Pacific are bound to be limited and can be summarized as:

— maintaining the superiority of its land and air forces over China;
— maintaining the operational viability of its land- and sea-based strategic missile forces.

These objectives point to an essentially defensive Pacific strategy in wartime, focused on the Northeast Asian region. Other objectives, such as maritime interdiction or sustained efforts at destroying allied naval and air forces, would be secondary.

The Soviet posture stands in contrast to U.S. warfighting plans which are based on the military superiority of the United States in the Pacific. As characterized by the U.S. Chief of Naval Operations, Admiral J.D. Watkins,[16] and others, U.S. plans call for aggressive forward operations aimed at the destruction of Soviet ballistic missile platforms and Soviet Naval Aviation forces. Such operations would be concentrated on the Northeast Asian region and, if successful, would deny Soviet naval units the ability to conduct interdiction and maritime attrition in more distant waters.[17]

The nature and location of the U.S. bases in the Philippines would strongly suggest that these would play a limited and secondary role in the event of a major superpower conflict in the Pacific. This judgment has been recognized in a recent study on the importance of the Philippine bases which makes only two claims for their role in support of U.S. operations in Northeast Asia. These are as "stepping stones on the long southern route from the U.S. west coast and Northeast Asia" and as "a back-up base structure"[18] — albeit one that is distantly located from the focus of operations.

The Philippine bases, of course, play a more important role in the support of regional operations in the Indian Ocean and Southeast Asia. These regions are, however, of lesser strategic concern to both superpowers.

As has already been noted, the Philippine bases play an important role in U.S. deployments to the Indian Ocean and in facilitating the interdiction of Soviet lines to that region. The collapse of oil prices and the recent decline in the level of Soviet deployments to the Indian Ocean, however, now point to a lessening of U.S. interest in maintaining the current level of naval deployments in the region. Nevertheless, it is true that without access to the Philippine bases, U.S. operations in the Indian Ocean would be more costly and difficult as well as less efficient. It would also make the United States more dependent on its other regional allies for its military requirements.

Since the U.S. military withdrawal from mainland Southeast Asia, the Philippine bases have assumed an added political importance in the security equation of Southeast Asia. However, as the Guam Doctrine has reduced the likelihood of regional land operations, the bases are not likely to be used to support such

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operations in Southeast Asia. In the present setting, the facilities play an important role in the surveillance and protection of shipping through the strategically important straits of Southeast Asia and in facilitating countervailing capabilities to the rapidly expanding Soviet military lodgement in Vietnam.

Located some 2,200 miles southwest of Vladivostok, the air and naval facilities at Cam Ranh Bay are valuable but essentially peacetime assets for the Soviet Pacific Fleet. Cam Ranh Bay has attractive natural features and its facilities have been substantially expanded by the Soviet military. Between 20 and 30 warships operate from the base which also supports the Soviet South China Sea Squadron of about three major surface combatants, four to five conventional submarines, and two fast missile patrol boats, together with a landing craft and varying numbers of support vessels. Soviet regional interdiction capabilities have been enhanced by the presence of anti-submarine warfare (ASW) and electronic warfare aircraft. The Soviet aircraft monitor U.S. military activities in the Philippines as well as the PRC (People's Republic of China) forces on Hainan.

The facilities in Vietnam undoubtedly represent a quantum improvement in Soviet capabilities to project military power into a region where its influence, a decade ago, was very circumscribed. Combined Soviet and Vietnamese forces now have a substantial capability for sustaining submarine/mine interdiction around the straits of Southeast Asia as well as for limited anti-shipping operations in the South China Sea. The Soviet Pacific Fleet has also established a substantial "surge" capability into the Indian Ocean as was demonstrated during the Iran and Afghanistan crises.

Still, Soviet regional military capabilities should be kept in perspective. In the first place, the facilities in Vietnam are in an isolated forward position and the ability of the Soviet Pacific Fleet to protect its extended lines to Vietnam is limited. Secondly, U.S. operational capabilities in the region and throughout the Western Pacific remain far superior to those of the Soviets — not least because of the substantially more extensive and flexible land support facilities that are available to PACOM units operating in the region. Finally — and this point is very often overlooked — Soviet units in the Southeast Asian region must contend with not only U.S. forces but also those of the regional states.

Recent improvements in the regional maritime capabilities of the PRC include refuelling at sea, logistic transfers and anti-submarine warfare operations. Sustained naval exercises in the South China Sea, the Gulf of Thailand and the Philippine Sea demonstrate the PRC's interest in the region. Chinese maritime operations can be supported by very substantial land-based air and missile units. Though largely antiquated by Western standards, Chinese sea denial capabilities in the South China Sea are very considerable — especially in the light of the limited ASW capabilities of the Soviet detachment in Vietnam.

Indonesia and Malaysia are strategically located to control maritime traffic through the Southeast Asian straits. The ASEAN states have all improved their offshore military capabilities over the past decade. The confined and shallow

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waters in much of the South China Sea also serve to constrain operations by large surface combatants and submarines. For these reasons, the fast patrol boats, armed with anti-ship missiles — which are favoured by ASEAN navies — constitute a potent local maritime interdiction capability.

Conclusion

An evaluation of the U.S. bases in the Philippines should address the four functions outlined in this paper as well as their role in supporting regional military operations — in peacetime as well as in other contingencies.

The logistics support, repair and maintenance, training, C^3I and personnel service functions of the bases contribute substantially to PACOM's peacetime operational effectiveness and efficiency. They also serve to demonstrate the commitment of the United States to the security of Southeast Asia and the Southwestern Pacific. The use of other facilities in the Western Pacific as alternatives would be significantly more costly and, in some contingencies, would detract from operational effectiveness. Alternative facilities would also lengthen transit time, and additional military units would be needed for the United States unilaterally to maintain the current level of its operations in the Southeast Asian and Indian Ocean regions.

It should, however, be recognized that the United States maintains an extensive basing system in the Western Pacific, encompassing facilities on the west coast of the United States and in Hawaii, Japan, Micronesia, and the island of Diego Garcia in the Indian Ocean as well as in the Philippines. The United States also has access to the military installations of its regional allies and makes use of a range of facilities in Australia. Though still limited, co-operation with China has also begun.

In combination with allied facilities in the region, the United States' other bases in the Western Pacific could constitute a workable alternative in the event of the denial or curtailment of activities from Clark and Subic. Therefore, the Philippine facilities are best characterized as very valuable rather than irreplaceable.

The bases play a varied role in the support of regional operations. Support for operations in the Northeast Asian region is essentially secondary. They are, however, directly involved in Indian Ocean deployments, but U.S. activity in this region can be expected to decline. The bases play a central role in supporting U.S. interests in Southeast Asia. This region, however, is of secondary strategic importance to both superpowers — especially in comparison to the northwestern sectors of the Indian and Pacific Oceans. Furthermore, U.S. allies and security partners have a substantial and growing operational capability against Soviet military activities in the Southeast Asian and Southwestern Pacific waters.

Finally, the significance of the Philippine bases is primarily linked to peacetime conditions. The strategic priorities of both superpowers, together with their comparative warfighting capabilities and plans, all point to concentration on the

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Northeast Asian sector — an area which in wartime could be given only limited support from the U.S. military facilities in the Philippines.

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Prospects for South Asian Regional Co-operation: Lessons from ASEAN*

PUSHPA THAMBIPILLAI

There are few regions in the world made up of countries that share so much in common — ethnic roots, socio-cultural values, political traditions and historical experiences — as those in the South Asian region. Of the countries in that region that have numerous similarities, Bangladesh, India and Pakistan shared similar historical and political experiences until only forty years ago as one large political unit under British direct or indirect rule. Including prehistorical times, one could also subsume Nepal and Sri Lanka within a larger socio-political region sharing both friendly and hostile relations. But although the foundations for interaction are deeply rooted, no other group of countries has had to survive in an environment of suspicion and hostility ever since independence.

How do countries garner the spirit of goodwill and strive for closer co-operation despite the political separation and turmoil that have been characteristic over the years? The attempts that the various governments have pursued lately are in fact an indication that the desire for regional co-operation can overcome some differences and bring together countries that wish to collaborate on specific issues or in what some theorists refer to as functional co-operation. However, if ASEAN is any comparison at all, South Asian countries have a long way to go before arriving at a regional community in which mutual suspicion, hostility and violence cease to influence bilateral and multilateral relations, and in which mutually beneficial functional, political and economic relations are the basis for positive interactions. Peace and stability would then be the norm.

This paper attempts to look at the regional peculiarities and experiences that both the South Asian and ASEAN regions have faced and distill some of the lessons that South Asian countries could learn from the ASEAN case to assure a measure of success in the formation of a regional association, and eventually, a community.[1]

History

Historically, Southeast Asian countries have experienced much more diversity — culturally and politically — than those in South Asia. The three colonial countries (Britain, the Netherlands and the United States) dominated the region that now constitutes ASEAN, thereby creating political divisions among the colonized territories. Non-colonized Thailand had experienced various foreign influences and had, at different periods over the centuries, claimed some status as an "overlord"

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with suzerainty over north Malaya and parts of Burma, Laos and Cambodia. World War II and the birth of independent states created new identities but that in itself did not give rise to hostilities among neighbours as it did in South Asia. Nevertheless, it was a situation of isolated identities and few interactions, especially at the government level, except perhaps for the three ex-British territories.

Despite the diversities, as far back as 1959 the initial steps towards sub-regional co-operation had already been set in motion. The first Prime Minister of Malaya, Tengku Abdul Rahman, during a visit to the Philippines, issued a joint statement with President Carlos Garcia calling for the formation of a regional association. Thailand was agreeable but Indonesia, Burma and Cambodia declined to join the proposed grouping. Thus, in July 1961, Malaya, the Philippines and Thailand established the Association of Southeast Asia or ASA. Although admirable as a first attempt in regional association, ASA was not without problems. It was ineffective in that its membership was small and it did not have any specific goals or mechanisms to promote its desired intentions. It was also given a death blow (though not buried) by the proposal for the formation of a larger Malaysian state. This brought about adverse reactions from two quarters: Confrontation by Indonesia, or President Sukarno's policy of hostilities against the creation of the Federation of Malaysia incorporating the British territories of Sabah, Sarawak and Singapore in 1963, and disapproval from the Philippines which claimed Sabah.[2]

In the meantime, another regional grouping was attempted to bring the feuding factions together, with the help of a Philippine proposal. In mid-1963, Malaya, the Philippines and Indonesia formally created what came to be referred to as Maphilindo (*Ma*laya, *Phil*ippines, *Indo*nesia), attempting to harness the common Malay ethnic roots as a "natural" bond. While not attracting other countries because it espoused a "Greater Malay Confederation", it suffered a political death since the three members could not come to terms over the Malaysian entity.

The suppression of the 1965 coup attempt and the subsequent inauguration of the New Order government in Indonesia were more promising for Southeast Asian regionalism. By 1967, with the help of neighbouring countries, especially Thailand, accommodation was reached among the various parties for an official cessation of hostilities and for the formation of some form of regional organization. A declaration was signed in Bangkok in August 1967 by ministers from Indonesia, Malaysia, Philippines, Singapore and Thailand establishing the Association of Southeast Asian Nations (ASEAN), continuing from where ASA had left off. Short-lived turbulence had finally given rise to a regional association that is still in existence two decades later.

South Asia presented a quite different picture: one of countries that did not interact multilaterally and had no desire for indigenous regional or subregional groupings. There were no attempts at co-operation (other than through membership of macro-level, internationally based organizations such as ESCAP, the Commonwealth and the Non-aligned Movement) prior to the creation of the South Asian Association for Regional Co-operation (SAARC), which originated in 1980.

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Although there had been effective bilateral relations between various dyads within the subcontinent, these countries could not foresee working together effectively as a group until recently. Specific moves towards exploring such a possibility were only made in the late 1970s, most fruitfully by Bangladesh President, General Ziaur Rahman. In November 1980, government leaders in Bangladesh produced a working paper setting forth their ideas based on the President's proposal for regional co-operation, identifying steps which could be taken towards creating regional development and a collective voice in international forums.[3]

According to the working paper, the aim was to foster functional co-operation. It identified eleven areas of potential co-operation: telecommunications, meteorology, transport, shipping, tourism, agricultural research, joint ventures, market promotion, scientific and technological co-operation, educational and technical, and cultural co-operation.[4] However, no mention was made of political topics, reflecting a deliberate attempt to side-step controversial issues while aiming for areas in which co-operation was possible. The paper suggested names for the yet to be established association, issued a draft declaration and suggested details on the proposed structure.

As a step towards institutionalizing the proposed ideas, the Foreign Secretaries (that is, the civil servants in charge of the Foreign Ministries) of the seven states met in Colombo in April 1981. The meeting decided that regionalism would progress on a step-by-step basis, and that bilateral and contentious issues would be excluded.[5] It also concluded that regional co-operation would not be treated as a "substitute for bilateral and multilateral co-operation but could complement both; nor should it be inconsistent with bilateral and multilateral obligations".[6] Five study groups were initially approved, with each in charge of a particular area of potential co-operation, such as agriculture (Bangladesh), rural development (Sri Lanka), and so on. A second meeting of Foreign Secretaries met in Kathmandu in November 1981. Opinion was divided as to the speed of institutionalization and the possibility of high-level meetings — that is, summit meetings. The final agreement stated that there ought not to be a rush towards a meeting at Head of State or Foreign Minister level just then and that more lower-level meetings were necessary. The Foreign Secretaries agreed that regional co-operation was an "evolutionary" process to be viewed in a long-term perspective; it was also to be a flexible process which would "permit the elaboration of co-operative arrangements in as many fields as are mutually agreed upon."[7] This meeting was followed by two more — the third in Islamabad (August 1982), and the fourth in Dhaka (March 1983) where the decision was taken to convene a conference of Foreign Ministers later that year. In August 1983, the seven Foreign Ministers met collectively for the first time, set out the essential objectives and principles of South Asian regional co-operation, and finalized steps towards the next stage in regionalism. At this stage the grouping was called South Asian Regional Co-operation (SARC).[8]

In December 1985, the Heads of State/Government of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka met in Dhaka for the

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signing of the Charter of the South Asian Association for Regional Co-operation (SAARC).

Machinery

The ASEAN Declaration of 1967 and the Charter of SAARC in themselves reflect the realities that these two groupings faced and stood for. The Southeast Asian countries had to satisfy two priorities when they met in 1967, one internal and the other external: 1) to create a peaceful regional environment and avoid future conflicts and to explore means to bring these countries that had been isolated despite the geographical proximity together through cultural and economic co-operation; and 2) to exert a collective voice on regional and international issues. Thus, their list of aims and purposes read in part, "to accelerate the economic growth, social progress and cultural development in the region through joint endeavours . . ." and "to promote regional peace and stability . . .". One of the striking features of the ASEAN grouping was that the framework was initiated and its declaration signed by the respective Foreign Ministers (rather than Heads of State as for SAARC) and thus, the machinery they set up reflected their specific roles in the association. It established an annual meeting of Foreign Ministers, referred to as the ASEAN Ministerial Meeting, the location of which was rotational; and a Standing Committee composed of the Foreign Minister of the host country and ambassadors of the other member countries to co-ordinate the functions of the Association between meetings. There were also various *ad hoc* and permanent committees on specific issues. A National Secretariat was set up in each country's Foreign Office to be responsible for ASEAN matters. However, no mention was made of the Heads of Government at this stage, nor of a Secretariat.

It was only in 1976, that ASEAN's first Summit meeting was held in Bali when the Presidents of Indonesia and the Philippines, and the Prime Ministers of Malaysia, Singapore, and Thailand met to sign the Treaty of Amity and Co-operation, and the Declaration of ASEAN Concord. These two agreements laid down more specific steps towards co-operation and finalized plans for the establishment of a regional Secretariat. Thus, there was a wait of almost a decade before any further direction was given to the Association. Not only had it survived a decade and therefore displayed the will to stay together, but recent events in Indochina had given the grouping an incentive to reassert its role.[9]

The South Asian case evinces quite a different approach. The statement on the objectives and principles of South Asian regional co-operation produced by the August 1983 meeting of Foreign Ministers was SAARC's first collective statement, a forerunner to the Charter of 1985. The 1983 agreement can be compared to ASEAN's 1967 Declaration. However, the SARC agreement was more specific in some of its principles and objectives, whereas ASEAN had waited ten years to advance more specific intentions. In fact, the Charter of 1985 is actually a refinement of the earlier agreement, adding even more areas of co-operation and the machinery to deal with them. One of the significant clauses was that the Heads of

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Government would meet "once a year or more often as and when considered necessary . . .". The 1976 Declaration of ASEAN Concord, on the other hand, stated that there would be a meeting of the Heads of Government of the member states "as and when necessary", without any time reference. In short, SAARC appears to have achieved in two years (1983–85) what ASEAN achieved in ten, at least in manifesto form. Basically, between 1980 and 1985, SARC and later SAARC had established specific commitments on paper, even before actual co-operation was initiated, while ASEAN's 1976 treaties culminated a decade's experience in managing co-operation.

But like ASEAN in its initial phase (which lasted until 1976 when economic issues were identified and economic ministers were entrusted with contributory roles in regional co-operation), the SAARC Charter has yet to specify economic areas of co-operation and the role of related ministries.[10] In that respect, SAARC is still progressing only slowly. The rush was to get the leaders together at a Summit, and to present a list of aims to pursue.

Political Will

Political relations play a crucial role in the success or stagnation of regionalism. In the Southeast Asian case, there was not only the political will to submerge some of the differences for the sake of peace and stability within the sub-region but the members also clearly saw their unity as beneficial in relation to third countries. All could identify external countries that they were collectively at odds with and even though there were disagreements on specifics there was agreement at the general level. They were all united against the spread of communism irrespective of where it came from. China, the Soviet Union and later Vietnam were the greatest threats. China was the more immediate threat, not only because of its geographical proximity and its past claim to suzerainty over parts of Southeast Asia but also because of the large numbers of ethnic Chinese in each ASEAN country. The fear that China could spread its subversive influence through its contacts was a deterrent to the normalization of relations. However, this view was not held uniformly in each of the countries. In those countries where they were better integrated, the Chinese were less a target of suspicion. In the years following the communist victory in Vietnam and the increasing Soviet presence in Indochina and the Pacific region, the Soviet Union took on a more menacing posture in the eyes of some government leaders.

From the viewpoint of the ASEAN governments, the most serious threat appeared to be the threat to internal stability through externally-supported subversion. Thus, Indonesia initially, and the other ASEAN countries later, adopted the concepts of national and regional "resilience", claiming that the best defence against external threat was a strong national government committed to internal development. The premise was that the enemy, whoever it was, would not march in to take over a territory militarily.

The South Asian case is quite different. The members appear to lack the

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kind of political force that pushed the ASEAN states to co-operate, both intra-regionally and extra-regionally. There is also the absence of common political goals, especially external ones, to override internal divisiveness. There was no common threat perception and security concerns from the outside to act as catalyst.[11] How could there be any "pull" factors when each country feared its own neighbours — neighbours that were prospective members of a regional grouping? The threat appeared to be right there within the region. This was indeed counter to any desire to form a regional grouping, unless such perceived sources of threat were eliminated. Various domestic insurgencies were also allegedly aided by neighbouring countries. Thus, India and Sri Lanka face disagreement over the latter's Tamil problem, while India has problems over the claim for a separate Sikh state and accuses Pakistan of aiding the separatists. Borders are also fiercely guarded against political violations by neighbouring countries. As a side effect, this has also sealed off the free flow of communication, trade and tourism for decades.

The need to co-operate in the face of external aggression is also thwarted by the fact that there is no unifying "external" threat; each country views the threat differently, with threat from neighbours remaining the most important. For instance, China, the Soviet Union and even the United States are perceived differently in each country. India's close relations with the Soviet Union are clearly at odds with the attitudes of other regional countries, while China's friendship with Pakistan is not to the liking of India. A Chinese ethnic minority is not a problem for India; its problems with China originated with bilateral border issues. The smaller South Asian countries appear to be friendly to all, but in the area of power politics their policies and positions do not carry much weight.

Perhaps one of the most significant distinctions between the two regions is that in South Asia communism is not considered a major threat. Almost all the countries have had legitimate communist parties for decades, in contrast to the underground ones in the ASEAN countries (which by 1967 had all outlawed their communist movements): these have played important roles in domestic politics, competing in elections and contending for power, and in India even running some state or regional governments. Thus, the issue of Afghanistan, communism and the role of the Soviet Union as the outside power dominating a neighbour is not seen in the same way as ASEAN views Vietnam, the Kampuchean problem, or Soviet aid to Indochina. The establishment of communist rule in Afghanistan was not so much an impetus for regional co-operation as the similar situation in Indochina was for ASEAN: indeed, one of the main issues for ASEAN's collective foreign policy is the Kampuchean issue. Lacking a collective foreign policy position, SAARC has not taken a stand on Afghanistan: rather, it has been left to interested members to seek foreign support for their individual positions on that issue. This has led to the internationalization of the situation with the aid of large powers such as the United States, while Afghanistan itself is occupied by another Big Power.

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Lessons from ASEAN

The differences between the origins and evolution of ASEAN and SAARC clearly indicate that regionalism is peculiar to its own region, and that a region cannot hope to emulate a pattern of goals or events found elsewhere.[12] Nevertheless, the members of SAARC and ASEAN, being largely countries which have achieved independence since World War II, with characteristically developing economies dependent on foreign economic and political support, undoubtedly share some common denominators. ASEAN perhaps could offer some lessons from its longer experience, in terms of the structural-functional, socio-cultural and political aspects of regional co-operation and in relation to external powers.[13]

Structural-functional Aspects of Co-operation. When member countries of ASEAN met to sign the 1967 Declaration it was important to the leaders concerned that they project the image of equality and that no one country was seen to be dominant or the "leader". Perhaps this is a basic premise for the success of any regional association: that when countries decide to co-operate, they do so as equals, sovereign in their individual rights. In ASEAN's case, despite the fact that its members are diverse in area and population size, size has not been a determinant factor in deciding a leadership role. Indonesia had just recovered from internal political and economic chaos when it joined the Association and was not capable of exerting any pressure on the others. Neither did the other members consider Indonesia a leader in any formal sense although they were willing to accord it an informal leadership role, nor were they apprehensive that it would use its size to dominate the organization, since it was also one of the poorer members. Whatever ambitions Indonesia might have had towards the organization were not quickly translated into action nor did other members feel intimidated. Thus, by 1976, when the turn of events had created a more unified ASEAN willing to strengthen co-operation, and when the selection of a site for a regional Secretariat was due, after some initial competition (especially from the Philippines), Indonesia was unanimously chosen as the "natural" home-base not merely because of its physical and population size but also because of its increasing role as an active member in regional and international affairs. But the Secretariat is more symbolic than functional, and thus it does not make Jakarta the "capital" of ASEAN. Besides, the other members would have opposed any idea of appointing Indonesia the leader, and neither would Indonesia have wanted to project itself as leader, realizing that this would jeopardize regional harmony.[14]

Structurally, the South Asian countries (varying from the micro state of Maldives to sub-continental India) provide a much larger spread of differences. India is clearly the odd country out because of its population and the size of its economy. But being centrally located, India must be part of any regional grouping. However, as has been pointed out by many observers, no member of SAARC would accept India as dominant; in fact, fear and suspicion of colossal India seems to hinder effective co-operation.[15] To achieve an environment of equality, India

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must not attempt to dominate, while the other regional countries must allow it to exercise its role as a "big" country in its interactions outside SAARC.[16]

The structure of the organization is also of importance to the success or failure of regionalism. As one study states:

> One encouraging characteristic of ASEAN was that it was born with the least pain; it was not 'bogged' down with heavy structures in its formative years but was instituted with the minimal weight necessary for the anticipated functions. In an area and period where nationalism was supreme, it avoided the creation of any supranational institution in the initial phase; the five national Secretariats were the only co-ordinating institutions for the various inter-state meetings among the members. This was crucial because the more the restrictions at the initial stage, the more the difficulties in getting an association accepted by prospective members, especially in a region (historically) crisscrossed by conflicts and mutual suspicions.[17]

This minimal-structure approach could also be an advantage in South Asian co-operation. Gradual evolution rather than the artificial creation of goals and structures would be a better way to implement the collective desire for co-operation.

ASEAN co-operation has been intentionally slow, much to the discomfort of academic analysts. But the political leaders did not seem unduly worried, because they were not yet prepared to commit their countries to supranational tasks before they were ready. Over the years the perceived advantages of ASEAN membership have unified their willingness not only to remain as members (and also to increase their membership by one),[18] but also gradually to expand the areas of co-operation. Political harmony and the will to co-operate, even if actual co-operation is slow, are perhaps more productive in the long run.

The eleven areas of co-operation that SAARC has identified are perhaps reflective of those sectors that could benefit from collaboration. However, areas of co-operation have to be carefully selected and mutually agreed upon. ASEAN's much talked about industrial projects are an example. The ASEAN governments had agreed to the recommendations of a United Nations report for a "package deal" arrangement whereby large industrial plants in one member country would produce certain products for the region. They were to be jointly owned — 60 per cent by the host country and 40 per cent by the others. As another writer stated,

> . . . in their keenness to institute a showcase scheme of ASEAN joint industrial projects, insufficient thought was given to whether the projects selected (Urea Fertiliser for Indonesia and Malaysia, Superphosphate for the Philippines, Soda Ash for Thailand and Diesel Engines for Singapore) might conflict with existing or proposed industries in the individual member countries.[19]

The decisions were to some extent politically-based, to show the spirit of co-operation. Meanwhile, economic conditions changed, rendering the projects less attractive to the domestic environment. Thus, as a result of either opposition,

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discouragement from other members or lack of viability, three of the original projects were discarded, while substitute projects were considered and reconsidered. The Industrial Complementation Scheme has also not fared well because of the preference for national industries and the difficulties of co-ordinating region-wide industries among the private sectors. Then again, success varies according to the intentions. If projects are decided upon for the purpose of trade, for example, it is necessary to study the trade flow, whether there would be the expected demand for the products, and so on. Perhaps it would be more feasible if those areas in which potential already exists for trade, interaction or communication are selected and regional projects established around them, rather than to identify the projects first and then hope that it would become a "regional" project. The reduction of barriers to trade, both tarriff and non-tariff, must also be considered.

One common argument questioning the prospects for effective co-operation in South Asia is that there is so little intra-regional trade within SAARC. It has been estimated that only five per cent of the region's total trade in recent years has been within SAARC and that this intra-regional trade is dominated by India which enjoys a surplus against the rest of the states. (The unusually high percentage figures for Nepal's exports and imports — 47 and 70 per cent respectively in 1984 — from the region are a reflection of its land-locked geography and proximity to India and Bangladesh.) Intra-ASEAN trade in the 1960s was also small, but was not as dismal as in the South Asian situation. Current trade among the ASEAN countries is about 22 per cent, an increase over the last few years. This could be the result of conscious efforts to improve trade, especially with the Preferential Trading Arrangements signed in 1977. Without doubt, trade is a good measure of regional interaction, but not the only one. Countries ought not to believe that because trade is low there is no hope for regional co-operation. There are other areas (both functional and political) through which countries can establish effective relationships. Besides, trade could improve with better management of regional co-operation.

It has often been pointed out that countries with similar products would compete rather than co-operate. It need not necessarily be so. South Asian exports such as jute, tea, and textiles could be the basis for co-operation (as in the case of natural rubber in ASEAN) in the fields of research, export markets and price negotiations.

Socio-cultural Aspects of Co-operation. If regional co-operation is limited to interaction at the highest levels of government only, it will remain an essentially élitist government-to-government relationship. The populace would have neither the desire nor avenue to participate in regional activities. Any viable regional association needs to address the larger population as well; attempts at regional co-operation need to have a "trickle-down effect" whether it is in the form of economic development, political stability, or even for the basic amenity of travel — for business, pleasure or to visit relatives separated by political borders.

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Heads of State may proclaim manifestos for elaborate regional association but if a country's citizens cannot benefit from it, then regionalism would appear as mere rhetoric. Tangible as well as intangible consequences are crucial in sustaining regionalism. Communities in different states need to be brought together under the concept of regionalism via the media, communication networks and the role of governments in projecting positive aspects of the neighbouring states and their peoples. Perhaps only then could one refer to the presence of a regional community at the people-to-people as well as government-to-government levels.

To some extent ASEAN has tried to nurture an "ASEAN identity", through easier travel (for example, no visa is required for brief visits to other ASEAN countries, and driving licences have recently been recognized across intra-ASEAN borders), communication, cultural exchanges, and media exposure. SAARC has the potential to develop these avenues for people-to-people interaction, once politicians have come to terms with each other. Another area for interaction is through non-governmental organizations (NGOs) co-ordinating national organizations on economic or socio-cultural issues. For example, ASEAN has seen the establishment of a number of such organizations: the ASEAN Chambers of Commerce and Industry, the ASEAN Federation of Journalists, and the ASEAN Consumers' Protection Agency, to name but a few. Some of these have been actively promoting co-operation in specific areas. There are over forty such registered NGOs in ASEAN. The SAARC countries could also institute areas for socio-cultural co-operation to encourage interaction and the exchange of peoples and ideas, and promote not only inter-governmental organizations but also non-governmental ones, free from the pressures of politics.

Political Aspects of Co-operation. It is understandable that no group of countries would have the desire to co-operate or share a regional identity if there was still animosity amidst them and while each accused the other of interference in its domestic matters. ASEAN has had, and still has, intermittently faced problems of this nature where neighbours have accused each other of interfering or supporting their internal "trouble-makers", such as secessionist movements. For example, some Malay groups in Malaysia have been accused of aiding Muslim secessionists in Southern Thailand, and links have been alleged between Sabah and Muslim groups in Southern Philippines. Until countries respect the internal politics and authority of the government of another state they will be unable to interact as friends and partners. The various countries of ASEAN have struggled to establish that mutual trust. However, as evinced by the negative reactions stirred by the visit of President Herzog of Israel to Singapore, irritants still exist among neighbours. SAARC has an even more difficult task in easing tensions in the sub-continent for the benefit of regional harmony. It cannot, in reality, entirely ignore bilateral and contentious issues, for instance between India and Pakistan, two important members. SAARC as a forum may provide the inclination towards peaceful problem-solving. In fact, ASEAN members have proven that they can co-operate by reducing the risk of border "flare-ups"[20] and concentrating instead on

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common interests such as the containment of communist insurgency (especially on the Thai-Malaysian border), piracy, and drug trafficking.

If intra-regional co-operation is important for the survival of an association, then extra-regional co-operation is also vital for its success. What role would a regional association play if it was only interested in internal matters and did not project a unified stand in its external interactions? Its functions would be limited. Members ought to be encouraged to take a collective stand in those areas in which they perceive they can achieve better outcomes. ASEAN has taken a common approach on issues affecting its export commodities, in dealing with external trade and aid partners such as Japan and the United States and on larger international issues at the United Nations (such as Kampuchea, Afghanistan and the Law of the Sea). Thus, ASEAN has been able to identify itself consistently with particular stands. In order to succeed, a regional association needs to establish credibility not only within the region but also within the wider international community.

Relations with External Powers. In order to avoid distraction from the priorities of regional peace and development, regional associations ought to guard against entanglement in Big Power politics. ASEAN, despite its strongly pro-Western orientations, has striven hard to maintain an independent stand, though individual countries have been free to pursue their national interests in their association with third countries. This applies to political and military relations. One of the clauses in the 1967 Declaration stated that "all foreign bases are temporary and remain only with the expressed concurrence of the countries concerned and are not intended to be used directly or indirectly to subvert the national independence and freedom of states in the area . . .". The policy of allowing foreign bases or troops in some of the ASEAN countries has created inconsistency in its stand especially in relation to the 1971 Declaration of the ASEAN countries that Southeast Asia should become a Zone of Peace, Freedom and Neutrality (ZOPFAN), free from any form or manner of interference by outside powers. The paradox has not been explained away easily, but the argument of the affected members is that foreign troops are there by mutual consent under bilateral arrangements and until such time as all the larger powers agree to respect a Zone of Peace, Freedom and Neutrality. Anyway, in the cases of Malaysia and Singapore, the foreign military presence (of Australian and New Zealand forces) has been vastly reduced since 1967.

SAARC does not face the issue of foreign bases, but conflicting foreign alignments (with the United States, the Soviet Union and China) seem to be more marked there than in the ASEAN case. It may benefit foreign powers to divide up the region according to their spheres of interest, to the detriment of regional harmony. Thus, members need to be wary of external interference and manipulation in regional issues. Perhaps striving for friendly relations with neighbours is itself a good safeguard as it reduces the need to gain the support of an external power for protection against regional foes.

The ASEAN case has shown that when countries act together they can deal

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with the big powers and other developed countries from a position of strength (as in the annual dialogue sessions that ASEAN has instituted with selected third countries).[21] External powers have to accept the unity of ASEAN's members and realize that it is useless to try to pit one against another. One cannot, of course, deny the fact that both foreign powers and member countries themselves have tested this unity by emphasizing national sovereignty and national interests.

Conclusion

Regional co-operation would have a greater chance of success if simple, workable goals rather than publicly pronounced grandiose, show-case items are set and carefully pursued, and if there is the indigenization of plans, solutions and outcomes (that is, if members solve problems through discussion and consensus among themselves with minimal external interference). Once these basic priorities are set, the process towards a regional community would have begun.

Another characteristic worth considering is the style of the decision-making process and negotiation. Informality, thorough discussion and consensus without coercion is the most effective procedure. It undoubtedly takes time for governments to come to understand one another and to be able to consult with each other regularly and informally instead of resorting to formal meetings and treaties. Similarly, it requires a slow, searching process to discover which issues would be acceptable for discussion and which would be offensive or antagonistic and are therefore to be avoided. Public exposure is also crucial in promoting co-operation; media and academic involvement are complementary to state interaction.[22] ASEAN has been credited with easing tensions through a system of informality and frequent discussions. Problems arising within the grouping have also been, in large measure, kept in check as a result of consultation and dialogue at various levels of government machinery. These are some areas in which SAARC may want to follow suit.

The South Asian countries have succeeded in their path-breaking goal of bringing together their seven leaders, first in 1985, and again in November 1986. Probably the meetings in themselves are more important than the content of their discussions, as the two occasions were the first times that all the leaders met as a group, symbolizing a desire for regional co-operation. ASEAN has for several years anticipated its next summit, the third since its inception in 1967. At last, it appears that the Heads of Government will meet in December 1987, on ASEAN's twentieth birthday. This perhaps indicates the internal dynamics of ASEAN as a regional institution, and the problems and delays encountered, perhaps with parallels to the SAARC model.

Being contiguous regions, but with vast differences, it is inevitable that organizational collaboration in South and Southeast Asia should be compared. Regional co-operation is a gradual process. It has taken ASEAN twenty years to reach its present stage, so one should not expect too much from SAARC too soon. The fact that proponents of South Asian co-operation often make reference to the

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ASEAN experience indicates that SAARC does look up to ASEAN and hopes to emulate some of its successes.

NOTES AND REFERENCES

* This is a revised version of a paper presented at the Association of Asian Studies on the Pacific Coast (ASPAC) Meeting, Monterey, California, June 1986.

1. This paper does not discuss the theoretical and analytical perspectives of regional integration or co-operation. A vast array of literature on the political and economic basis of co-operation is available, dealing with different regions of the world. See, for example, Ernest B. Haas, *The Uniting of Europe: Political, Economic and Social Forces, 1950–1957* (Stanford: Stanford University Press, 1959); Hiroshi Kitamura, "Economic Theory and the Integration of Underdeveloped Regions", in *Latin American Economic Integration,* edited by Michael S. Wionczek (New York: Praeger, 1966), pp. 42–63; Philippe Schmitter, "Central American Integration. Spill-Over, Spill Around or Encapsulation?" *Journal of Common Market Studies* 9 (1970): 1–48; Jayseer Jaber, "The Relevance of Traditional Integration Theory to Less Developed Countries", *Journal of Common Market Studies* 9 (1971): 254–67; W. Andrew Axline, "Underdevelopment, Dependence and Integration. The Politics of Regionalism in the Third World", *International Organization* 3 (1977): 83–105; and Roger D. Hansen, "Regional Integration: Reflections on a Decade of Theoretical Efforts", *World Politics* 21 (January 1969): 242–71.
2. The formation of Malaysia, Sukarno's Confrontation, and the Philippine claim over Sabah have been adequately dealt with elsewhere. See, for example, Estrella Solidum, *Towards a Southeast Asian Community* (Manila: University of the Philippine Press, 1974); Edward J. Sinaga, "ASEAN Economic, Political and Defense Problems. Program and Prospects in Regional Cooperation" (Ph.D. dissertation, George Washington University, 1974); and Arnfinn Jorgensen-Dahl, *Regional Order in Southeast Asia* (London: Macmillan, 1982).
3. "A Paper on the Proposal for Regional Cooperation in South Asia, November, 1980", in *The Evolution of SARC, Basic Documents* (Dhaka: SARC Directorate, Ministry of Foreign Affairs, 1985), pp. 1–8.
4. This is in part similar to the proposal that the United Nations study team (rather than any ASEAN team) presented to ASEAN on the likely economic projects that each member could undertake. These would then be considered ASEAN projects with shared participation in equity and sales. For the Report of the United Nations team, see, "Economic Cooperation Among Member Countries of the Association of South East Asian Nations", *Journal of Development Planning,* No. 7 (1974).
5. Again, one sees the difference in the ASEAN case where the purpose was to solve outstanding bilateral differences so as to create an amicable environment.
6. Joint Communiqué issued at the conclusion of the first meeting of the Foreign Secretaries, Colombo, 21–23 April 1981, in the *The Evolution of SARC,* pp. 9–10.
7. Joint Communiqué issued at the conclusion of the second meeting of the Foreign Secretaries, Kathmandu, 2–4 November 1981, in *The Evolution of SARC,* pp. 23–24.
8. Declaration of South Asian Regional Co-operation, New Delhi, 2 August 1983.
9. Many scholars have adopted the view that if not for the communist victory in Indochina, ASEAN would have stagnated. The withdrawal of the United States from the region together with the emergence of communist states so near the area was a strong reminder for the states to be less dependent on outside powers and to be more assertive in their collective stand. The Summit would probably not have taken place in the absence of the events of the preceding year.
10. The Foreign Secretaries and Ministers are still in charge, though they have identified various func-

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tional areas for co-operation. In the ASEAN case, it was only after 1976 that regular Economic Ministers Meetings and occasional meetings of other ministers were instituted.

11. Mohammed Ayoob, "The Primacy of the Political: The SARC in Comparative Perspective", in *South Asian Regional Cooperation: a Socio-Economic Approach to Peace and Stability*, edited by M. Abdul Hafiz and Iftekharuzzaman (Dhaka: Bangladesh Institute of Strategic and International Studies, 1985), pp. 66–86.
12. One of the common tendencies in the early studies on ASEAN was to compare it to the EEC and then to conclude that ASEAN scored poorly in regionalism; not only were the basic factors different, the entire premise was not fully explored in trying to analyse the differences in the concept of "integration" versus "co-operation".
13. One cannot hope to discuss all the salient points pertaining to ASEAN — a spread of twenty years — in such a short paper. Numerous studies have discussed ASEAN, its successes, failures and future prospects. See Hans H. Indorf, *Impediments to Regionalism in Southeast Asia: Bilateral Constraints Among ASEAN Member States* (Singapore: Institute of Southeast Asian Studies, 1984); Chia Siow Yue, ed., *ASEAN Economic Co-operation* (Singapore: Institute of Southeast Asian Studies, 1980); and Charan D. Wadhva and Mukul G. Asher, eds. *ASEAN-South Asia Economic Relations* (Singapore: Institute of Southeast Asian Studies, 1985).
14. The EEC has adopted separate locations as "headquarters" for the Commission, the Parliament, and the Council.
15. Daniel F. Waterman, *SAARC: A New Framework for Regional Cooperation in South Asia* (Honolulu: East-West Center, 1986). Most of the public officials, academics and individuals the author talked to expressed the fear of India's special position within the association. Since it was already a leading country in the region in terms of economic and other indicators, it was claimed that nothing would stop it from wanting to lead the association as well.
16. The size of India has two dimensions. As has also been mentioned by a scholar, "smaller nations fear India, intimidating them with her size, economy and military superiority"; the other is that "India suspects her small neighbours of uniting to direct an offensive against her, if necessary, with external assistance," in other words "ganging up" on India, as another writer puts it. See also Bihasa Meera, "An identification of unresolved political issues in South Asia" (Colombo: Marga Institute, April 1986). See also Syedur Rahman, "Issues and Agenda for South Asian Regional Cooperation: A Bangladesh Perspective", *Asian Survey* 25, No. 4 (April 1985). He states that distrust has been built up over India's policies on Goa, Sikkim, Nepal and Bhutan. ASEAN is not without similar accusations. One could also take Indonesia to task, based on its past "Confrontation", and the West Irian and Timor issues. Again, it needs to be pointed out that Indonesia is not the dominating economic power. Indonesia's neighbours are not apprehensive of its potential to dominate the region, like India's neighbours are.
17. Pushpa Thambipillai and J. Saravanamuttu, *ASEAN Negotiations: Two Insights* (Singapore: Institute of Southeast Asian Studies, 1985), p. 7.
18. From 1967 until the end of 1983, ASEAN retained the original five members. Although membership was theoretically open to all in Southeast Asia, none had joined it despite the fact that some countries had shown interest, namely, South Vietnam in the 1970s, and Sri Lanka in the early 1980s. Brunei, a British protectorate, gained full independence in January 1984 and soon after joined ASEAN. It had held observer status for several years before independence. The only other non-communist state in Southeast Asia is Burma but it is not interested in membership. If Kampuchea becomes a non-communist and neutral state it would be welcomed to join the Association. The other more likely candidate eventually appears to be Papua New Guinea. Despite its totally different (Melanesian) socio-cultural system, it has shown interest in ASEAN and has been an official observer for several years. It could become the seventh member of ASEAN. For an association that has not faced any withdrawal, and with a slow membership increase, quality rather than quantity seems to be the criterion.
19. David Irvine, "Making Haste less Slowly: ASEAN from 1975", in *Understanding ASEAN*, edited by Alison Broinowski (New York: St. Martin's Press, 1982), pp. 37–69, especially p. 61.

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20. One of several bilateral incidents can be cited here. An incident took place between Malaysia and the Philippines in October 1985, in the East Malaysian state of Sabah and the islands off the south-western Philippines. A bank robbery and murder in a Sabah town allegedly followed by "military" retaliation by Malaysian troops in pursuit of the bandits into the Philippines could have turned into a sensitive issue had it not been played down by both sides.
21. The dialogue sessions are perhaps one of the positive outcomes of this collective approach. Each year, after the annual Foreign Ministers' Meeting, the ASEAN Ministers meet with the Foreign Ministers/Secretaries of the United States, Canada, Australia, New Zealand, Japan and the EEC — all members of the Organization for Economic Co-operation and Development (OECD). This is the only example of groups of developing countries meeting on a regular basis with the developed countries. Most discussions deal with trade and other economic issues as well as political issues.
22. In the field of publications, ASEAN in its early years did not attract the interest of many analysts. But later it gave rise to numerous studies. In South Asia, there have already been a number of interesting studies on regional co-operation. The following is an indication: Pran Chopra et al, *Future of South Asia* (Dhaka: University Press, 1986); Emajuddin Ahamed, *SARC, Seeds of Harmony* (Dhaka: University Press, 1985); M.D. Dharamdasani, ed., *South Asian Regional Cooperation* (Varanasi: Shalimar Publishing House, 1985); K. Satya Murty, ed. *South Asian Cooperation* (Hyderabad: Institute of Asian Studies, 1984); "South Asian Regional Cooperation" in *Spotlight on Regional Events* (Islamabad: Institute of Regional Studies, June 1983); M.S. Agwani et al., *South Asia: Stability and Regional Cooperation* (Chandigarh: Center for Research in Rural and Industrial Development, 1983); M.R. Aggarwal, *Regional Economic Cooperation in South Asia* (New Delhi: S. Chand and Co. Ltd., 1979); N.M.M.I. Hussain, *Prospects and Problems in Cooperation Among Small Nations in South Asia* (Colombo: Marga Institute, 1980) and numerous articles in South Asian journals and dailies.

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BOOK REVIEWS

Tengku Abdul Rahman and Malaysia's Foreign Policy 1963–70. By Dato Abdullah Ahmad. Kuala Lumpur: Berita Publishing, 1985. 185 pp.

Informed writing about Malaysia's foreign policy is to be welcomed, given the relative dearth of serious studies on the subject. The author has been a long-standing direct observer of that policy, including the period under review. There is a strong element of irony, however, in this undertaking which was submitted originally as a Master's thesis in Cambridge. Abdullah Ahmad was one of the so-called "Young Turks" who challenged the political leadership of Tengku Abdul Rahman during the later 1960s. In addition, he was directly identified with the political fortunes and policies of the late Tun Abdul Razak who succeeded Tengku Abdul Rahman as Malaysia's Prime Minister in September 1970. Indeed, Tun Razak is represented as the man who made "Malaysia a pace-setter and instituted several political developments which would shape South-East Asian history for many years to come" (p. 140). The Tengku is represented as being responsible for the half-joking description of Malaysia as a country somewhere between Bangkok and Singapore "because it had a bland, although a practical foreign policy which sustained peace and its flourishing prosperity" (p. 140).

In the light of the strong impression conveyed that the Tengku was out of touch with Malaysia's true priorities, it is difficult to accept at face value the introductory claim that the author "can approach the subject from a neutral and unbiased point of view" (p. iv). Indeed, the reader is left also with the suspicion that the dominant role of the Tengku in making Malaysia's foreign policy has been portrayed in such a way as to diminish and denigrate any part played by the Permanent Secretary in the Foreign Ministry, Ghazali Shafie. In the Conclusion, Ghazali is represented as merely the secretary to the Tengku, who is quoted as saying that "he never initiated any foreign policy, nor provided me with any original idea" (p. 139).

In making foreign policy, Tengku Abdul Rahman is depicted as an exponent of a Gaullist-style of decision-making without consultation; as the master of the political *fait accompli*. It is suggested that his style and priorities were a product of Malay patrician origins and Western education. The result was undue dependence on the British, an obsessive anti-communism attitude and a neglect of the Third World. The actual portrait of the personality of the Tengku is not consistent. He is described as less than clever but also as astute. He is represented as easy-going and affable, yet also decisive and ruthless. He is said to be a simple man, yet not above political scheming and intrigue. The net result is to portray an enigma of a man determined to have his own way.

The major part of the book deals with the contentious advent of Malaysia, giving rise to Indonesia's Confrontation and the Philippine claim to Sabah. The treatment is competent, if unexceptional. The opportunity is missed to present the episodes primarily from Malaysia's point of view. Indeed, limited attention is given to an examination of Malaysia's calculations from the outset, perhaps because foreign policy in this phase was so much of a

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reactive process. The foreign policy of making Malaysia is possibly neglected also because of the compulsion to give separate attention to the eviction of Singapore, not quite a foreign policy matter. There is much of considerable interest in this section, especially the claim by the Tengku that he had feigned political weakness in the months leading up to separation and that he had never been in any danger of being forced by Malay extremists to take repressive measures against Singapore's leaders. It is maintained that he never wanted Singapore in the first place, only accepting it to get the British to surrender Sabah and Sarawak. "Once Sabah and Sarawak were in, the Prince was looking for the proper time and pretext for evicting Singapore" (p. 94). This astounding conclusion is not pursued further. For example, it would have been of interest to know whether the Tengku had looked beyond separation and had expected Singapore to crumble with no alternative but to crawl back to Malaysia on its knees.

Subsequent sections deal briefly with relations with Thailand, the United States, Japan and the Soviet Union but no attempt is made to discuss Vietnam. This omission is surprising because South Vietnam was the first country to be visited by the Tengku on an official basis after Malaya's independence in 1957. His support for the Saigon government reflected the anti-communist strain which Abdullah identifies in the Tengku's international outlook; it served also as the nexus for the viable relationship with the America of Lyndon Johnson. Much more enlightening is the consideration given to the Islamic connection which arose from personal predilection. Abdullah points to the significance of the results of the elections in May 1969 in revising foreign policy to take much greater account of the co-religionist factor. Concerning Islam, he remarks advisedly, "Since it is such a potent force in domestic politics, the country's foreign policy had, it would seem, to serve the domestic political requirement of the government of the day" (p. 110).

The final topic considered is the decline in Anglo-Malaysian relations which the Tengku had made the initial corner-stone of foreign policy. The author explains well here and earlier how the experience of Confrontation brought home the necessity of reorienting foreign policy away from a "British apron-string complex", a trend pursued with a vengeance by Prime Minister Dr Mahathir Mohamad. Of significance in the process of change was the resentment of Britain's apparent preference for Lee Kuan Yew's Singapore after separation.

The overall impression given of the Tengku's conduct of foreign policy is that of limited vision arising from the conditioning of Western experience and an inflexibility of mind. He was a man for his time but that time was limited and required a greater adjustment to post-colonial circumstances than the Tengku was capable of, especially in domestic politics. In the event, he had to be discarded in order that Malaysia's foreign policy could follow its more logical course under Tun Razak. The judgement between the lines is harsh but the view conveyed is authentic, reflecting the perspective of the politically-dominant Malay élite.

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Rural Development in Asia: Case Studies on Programme Implementation. Edited by G. Shabbir Cheema. New Delhi: Sterling Publishing, 1985. 268 pp.

Planned national strategies for rural development have passed through three broad stages in developing societies. They started with a phase of community development during the early 1960s, giving way in the 1970s to a period of accelerated agricultural growth, and finally leading to the strategy of integrated rural development currently in vogue. The book under review deals with the middle phase of the 1970s and with those regional development programmes in Asian countries in which special attention was paid to the decentralized administration of the projects. The case studies included in the book were initiated by the United Nations Centre for Regional Development (UNCRD) in Nagoya, and were carried out by experts affiliated with administrative planning institutes in China, Pakistan, India, Malaysia, Indonesia, the Philippines, and Thailand. I will summarize and comment on the studies of Southeast Asian countries

Gabriel Iglesias of the College of Public Administration, University of the Philippines, made a case study of the Provincial Development Assistance Project (PDAP) implemented in the province of Pangasinan of the Philippines. PDAP was designed with the help of USAID to increase agricultural production and to improve infrastructure facilities of various provinces, but because of its stress on infrastructure and the use of capital-intensive instruments the programme disproportionately favoured the rich.

Chakrit Noranitipadungkarn of the National Institute of Development Administration (NIDA), Bangkok, discusses the Rural Employment Generation Programme in Thailand by taking a northern province, Lampang, as his case study. A decentralized authority from the national government, it focused on building infrastructure (and providing employment), but was often bogged down by administrative mismanagement as different programme agencies were controlled by their respective headquarters in Bangkok and were not able to integrate at the provincial level.

Another provincial development programme in East Java with a focus on small-scale village credit was studied by Moeljarto Tjokrowinoto of the Rural Regional Study Centre, University of Yogjakarta. The government was able to reach almost all the beneficiaries but the programme was "top-down" and the resources earmarked made up only a small percentage of development expenditure. Thus, the impact was minimal.

Efforts to improve marketing facilities for small farmers were initiated in Malaysia by the Federal Agricultural Marketing Authority (FAMA), and are the focus of a case study carried out by Mohd. Nor Abdul Ghani of the Malaysian Administrative Manpower Planning Unit (MAMPU). The assumption was that an effective marketing system would reduce dependency of poor Malay farmers on Chinese middlemen, and thus would improve their incomes. However, the FAMA officials at the district and state levels did not have viable linkages with either government agencies or with the target groups and hence remained ineffective.

All the case studies included in the book are academically and methodologically well prepared. Their importance is not in bringing any far-reaching new insights into focus but in offering programme- and country-specific details. The case studies, however, neither situate the studied programmes in the overall rural development context of the Asian countries nor do they take any strong positions. The details concerning positive and negative aspects of the programmes are provided in a cool and dispassionate manner. Nowhere is it mentioned by any of the writers or the editor that enormous amounts of time, energy and resources in Asia have been wasted in these centrally controlled and foreign-guided programmes (often

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mistakenly termed "decentralized"), but really no radical sustainable improvement has come about in the lives of the majority of the people. To me the book is a curious and unstimulating reflection of mainstream scholarship.

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Technology Choice in Developing Countries: The Textile and Pulp and Paper Industries. By Michael A. Amsalem, Cambridge, Mass: MIT Press, 1983. 240 + xvi pp.

The issue of technology choice in the manufacturing sector of developing countries is important for several reasons. The absorptive capacity of other sectors — especially agriculture — is limited. In many countries the record of employment generation is a poor one, despite rapid industrialization since the late 1960s. Moveover, as more countries adopt outward-looking policies, international competitiveness requires the adoption of efficient technologies which accord with the exporting countries' relative factor endowments. Although there is already a very large literature on the subject, a careful and thorough study — as this book is — is to be welcomed.

The purpose of this book is to examine technology choice in the manufacturing sectors of Brazil, Colombia, Indonesia and the Philippines. The author seeks to establish whether alternative technologies exist; whether, if there are differences, they require significantly different quantities of factor inputs; and what factors underlie the selection of technologies. To narrow the focus, the analysis is conducted with reference to the textile and pulp and paper industries. This choice of industries is very appropriate, since the two differ in important respects. Textiles is an "old" industry in which labour costs are a substantial proportion of total costs, a wide range of technologies is available and most can be purchased "off the shelf", and much of the industry has relocated to developing countries. None of these characteristics apply fully to the pulp and paper industry.

The author begins with a review of the main issues in technology choice, followed by a brief (rather too brief) review of existing studies. An adaptation index is developed, as a means of assessing technology differences between countries. Discussion of the firm survey and some conceptual issues complete the chapter. Next, in Chapter 2, there is a very detailed review of production and technology characteristics in the two industries.

Chapters 3 and 4 examine the textile industry. The author demonstrates convincingly that a wide range of textile technologies does exist at each of the major stages of production (see, for example, Table 3.3, pp. 62–63). He also concludes that there is considerable modification of technology: "In 95 of this study's 110 technology observations in developing countries the technology chosen was more labour-intensive than the U.S. optimum at identical scale of production." But in many cases, these technologies are more capital-intensive than the socially optimal ones. Why? The familiar factor-price-distortion argument is one factor, but there are others, including lack of information, the effects of risk, and the absence of competitive market pressures.

In a similar vein, the author then analyses the pulp and paper industry. Industry attributes dictate a somewhat different approach, however. Scale rather than relative factor

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prices appears to be the most important determinant of production technology, although in many of the firms examined the scale was such that it was not the only factor. Since a number of the firms had custom-built plants, the nature of the entire investment project was an important consideration in the technology choice.

Picking up this book the reader might wonder whether there is anything left to say on the subject. The author's policy recommendations (manipulating factor prices, disseminating more information), moreover, are hardly new. What is of value are the two very detailed industry case studies, and the book's lucid and comprehensive exposition. Nevertheless, it is not always clear whether the data base (much of which was compiled by the World Bank's IFC) is completely reliable. One wonders, also, whether the author had first-hand experience in any of the countries concerned, and whether sufficient allowance has been made for product quality differences between the different technologies. But, overall, this book is well worth reading for anyone with an interest in the subject.

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DOCUMENTATION

USSR Asia Initiative Fails to Address Area Tensions

Address by J. Stapleton Roy, U.S. Deputy Assistant Secretary of State for East Asian and Pacific Affairs, to the Asia Society, Washington D.C., 12 October 1986.

The speech by General Secretary Gorbachev in Vladivostok on July 28th of this year has attracted considerable attention in this country and in the various capitals of East Asia. This is entirely understandable. Having just returned from eight years of service in East Asia, I have been struck by the widespread perception throughout the region that Soviet policy has been in a straitjacket created by its unimaginative approach, its domination by military considerations at the expense of Moscow's political and economic interests, and its irrelevance to the dominant trends in the region, which are rapid economic growth and progress toward more open political systems.

Under these circumstances, it is natural to wonder whether the Gorbachev speech represents merely a tactical manoeuver, an effort to regain some initiative without altering Moscow's basic approach, or marks a watershed in Soviet policy reflecting a fundamental recognition by Gorbachev that more far-reaching changes are required if Moscow wishes to share in, and benefit from, the region's economic and political dynamism.

I will leave it to my friend and colleague Victor Trifonov to speak for the Soviet Union on this score. I thought I could help set the scene for the ensuing discussion by making a few remarks about the way the United States looks at this region.

First, I should note the degree to which East Asia has moved to the center of American foreign policy interests. President Reagan has made a number of trips to the region, Secretary Shultz regularly consults in Asian capitals, and other U.S. cabinet officers are frequent visitors across the Pacific.

This pattern of active involvement is all the more remarkable if you recall that just eleven years ago, in the wake of the U.S. withdrawal from Vietnam, there was widespread uncertainty both here and abroad about our staying power. Those fears have been laid to rest, although some new ones have taken their place, such as the deeply felt concern that the United States may adopt protectionist trade legislation.

Overall, East Asia has been one of the genuine success stories in the world over the last ten years, in terms both of economic growth and political stability. To cite just a few of the positive developments over the last ten years:

— China emerged from the cultural revolution, ended its period of relative diplomatic isolation, and has enjoyed an unprecedented period of political stability and economic well-being.

— The establishment of U.S. diplomatic relations with China in 1979 removed a major question mark over the future of East Asia.

— Faced with the shock of the U.S. withdrawal from Vietnam and Hanoi's invasion

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of Cambodia, ASEAN transformed itself into a cohesive group with amazing vitality.

— Thailand embarked on a period of relatively stable civilian rule and successfully ended the domestic insurgency that had ground on for 15 years.

— The Philippines, against all expectation, managed a smooth transition of political power and is now embarked on the difficult process of setting its political and economic house in order.

Underlying these developments are some common principles. East Asia discovered early on what the rest of the developing world is only belatedly coming to realize. Most of the vibrant countries of the Pacific are market-oriented systems that recognize that vital role of individual entrepreneurship. Sound financial management has led to rapid economic development. A strong technological base has been built with an extraordinary emphasis on scientific and technical education.

As a result, the non-socialist economies of East Asia and the Pacific have enjoyed the world's highest growth rates, verging on 10 per cent in the case of the so-called newly industrializing countries. Even China, once it loosened internal controls and began imaginatively to experiment with market forces and economic reform, has done remarkably well.

East Asia has also provided a striking demonstration of the vitality of democratically based and relatively open political systems. Just over the last two years, we have seen political systems renew themselves through democratic elections in Singapore, the Philippines, Japan, Thailand, Malaysia, and on a different scale in Taiwan last weekend.

Only the socialist countries closest to the Soviet Union — Vietnam, Laos, and North Korea — have lagged behind the rest of the region. In the case of Vietnam and North Korea, many factors have contributed to their backward condition but principal among them are their discredited economic systems and their hostile postures towards their neighbors, which have effectively cut them off from the productivity and prosperous living standards enjoyed by the other regional states. So long as they stagnate in this isolated and hostile condition, they remain a threat to the progress of the rest of the region.

U.S. Policy

In essence, U.S. policy has been comfortable with and supported every one of these positive trends. The common strand in our policy has been our commitment to security and stability, the basic requirements for political progress and economic well-being. Certain consistent principles, reflecting traditional American values, have provided the underpinning for our approach:

— U.S. policy is based upon respect for the interests and prerogative of the people of the Asia-Pacific region. We welcome the support of like-minded friends, but we do not seek or expect blind obedience to our will. We thrive on diversity, as long as it is accompanied by responsible behavior.

— Our policy is rooted in the conviction that peace and stability can best be facilitated by addressing specific sources of regional tension, such as the Vietnamese military occupation of Cambodia and the ever-present risk of hostilities on the Korean peninsula.

— We support as a matter of principle the establishment of democratic institutions and processes. We have seen steps toward revitalizing democratic institutions in the Philippines and significant constitutional reform in the Republic of Korea. We welcome the decision of the Taiwan authorities to lift martial law and the ban on new political parties.

— We believe that the common prosperity can best be maintained through the expan-

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sion of trade and investment. We have resisted strong domestic pressures and kept one of the most open markets in the world for over 40 years.

I should note that the purpose of the U.S. military presence in East Asia has been to play a stabilizing role. Realization of this objective has been assisted by the fact that virtually all countries in East Asia, including some of our former adversaries, now recognize that U.S. power in the Western Pacific has been used not to dominate but to keep others from dominating.

Soviet Policy in Asia

In concluding these introductory remarks, let me comment briefly on the Soviet role in Asia in the light of the Vladivostok speech. First, although this aspect of the speech has attracted less international attention, nearly half of it was devoted to the need to accelerate the social and economic development of the Soviet Far East. In this connection, Gorbachev frankly acknowledged that this portion of the USSR was developing even more slowly than the entire Soviet economy, an economy that has been encountering major difficulties. This points up one of the major constraints that the Soviet Union has faced in East Asia, which is that its economic system has had little to offer the dynamic economies of the fast-developing non-socialist countries of that region.

Secondly, in its handling of political issues, the Gorbachev speech was larded with outmoded ideological rhetoric, such as his reference to socialism as being an integral factor in the grandiose and difficult changes in the Asia-Pacific region and his claim that imperialism thrives on political instability. Quite frankly, this sort of ideological analysis is out of tune with the political winds that have been blowing in East Asia, where the trend everywhere except in the states most closely tied to Moscow has been toward, and more open representative governments.

Thirdly, I should note that the United States shares the concern of regional countries over the growing Soviet military presence in this area. This buildup received its greatest impetus in the late 1970s, at a time when the U.S. military presence in the region had been sharply reduced. In large measure, in my view, it has been Moscow's over-reliance on military measures that lies at the root of Soviet policy problems in East Asia. Viewed from this perspective, the most intriguing aspect of the Vladivostok speech lies in its veiled recognition that adjustments in Moscow's military posture are necessary if Moscow is to have any hope of breaking out of its present straitjacket.

China and various other Asian governments have quite properly reacted with skepticism to Gorbachev's statement that he was prepared to send home [*sic*] Soviet regiments from Afghanistan by the end of 1986. However, it is significant that he chose to include this statement in his speech, along with his reference to the possibility of withdrawing "a considerable number of Soviet troops from Mongolia", and his affirmation of willingness to discuss with the PRC specific steps aimed at a balanced reduction in the level of land forces on the Sino-Soviet border. The unanswered question is whether Moscow is in fact prepared to rely less heavily on military deployments in its approach to the region. The answer will be found in Soviet actions.

Finally, Moscow's backing for Vietnam's invasion and occupation of Cambodia points up the most disturbing aspect of Soviet policy, that is, the Soviet actions have not contributed to regional stability. Without the billions of dollars of Soviet military and economic assistance to Hanoi, Vietnam would not be able to persist in its occupation of Cambodia, which is the single most immediate cause of tension in Southeast Asia.

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In the case of Cambodia, Gorbachev dismissed the issue with the statement that the long-suffering Khmer people have the right to choose their own allies rather than having their fate decided in "distant capitals" or even the United Nations. Significantly, with the exception of Vietnam and Laos, every other regional country and some 115 members of the United Nations have recognized that the crux of the Cambodia problem is the effort by a "nearby capital", that is, Hanoi, to impose its will on the Khmer people, with the full support and backing of the Soviet Union.

Gorbachev added an appeal for reconciliation between China and Vietnam, but he disclaimed any Soviet role in this process by saying that Sino-Vietnamese normalization was "the sovereign affair of the two countries." This is not an issue which the states of Southeast Asia are prepared to see brushed aside in this fashion.

In the case of North Korea, it is instructive that as China has loosened its ideological fetters and moved toward responsible participation in the international community, Pyongyang has become enstranged from its former close comrade in arms. This has given the Soviet Union the opportunity over the last two years to improve its own relations with Pyongyang. However, aside from two visits by Kim Il-Sung to Moscow, the most visible result has been the resumption of a flow of sophisticated Soviet military equipment to North Korea, a development that is contributing to tension on the Korean peninsula, not easing it. Moscow has still not tipped its hand on how it intends to utilize its greater position of influence in Pyongyang, other than the cryptic remark in Gorbachev's speech that there are no rational grounds for rejecting the serious dialogue being proposed by the DPRK.

I would argue that this is clearly not enough. If the Soviet Union wants its professions of peaceful intentions to be given more serious attention it must do more to demonstrate that it is prepared to contribute in practical ways to easing the real sources of tension in the region, such as in Cambodia and Korea.

If and when we see evidence that the words of the speech are being translated into more responsible behavior, it goes without saying that we will welcome the change.

SOURCE: United States Information Service, *Wireless File*, 12 October 1986.

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Asia's Security Outlook Appears Favourable

Excerpts from U.S. Secretary of Defense Weinberger's Annual Report to Congress for Fiscal Year 1988, 14 January 1987

Regional Balances: The East Asian Balance

The Soviets continue expanding and modernizing their forces in East Asia. They are upgrading the equipment of their more than 50 divisions deployed in the Far East. Their more than 40 tactical air regiments stationed there are receiving newer aircraft. The latest generation of interceptor aircraft are also entering the regional inventory. Backfire aircraft continue to augment the older inventories of Badgers, and the Soviets are deploying modified Bear aircraft in areas from which they can support Far East operations. The Soviet Pacific Ocean fleet is the largest in the Soviet navy.

It contains two of the Soviet Union's three vertical/short-take-off and landing (V/STOL) aircraft carriers, over 80 principal surface combatants, and more than 80 submarines. These conventional forces are supplemented by a substantial number of short- and intermediate-range nuclear forces, including the land-mobile SS-20.

Outside the Northeast Pacific, the Soviet naval and air presence in the South China Sea now comprises approximately 30 ships and submarines, and 40 aircraft. Operating from Cam Ranh Bay, Vietnam, these and other support forces pose a significant threat to Southeast Asian sea lines of communications, and highlight close and continuing Soviet support for the Vietnamese regime in its aggressive action in Cambodia. The Sino-Soviet military balance continues to favor the Soviet Union. It will continue to do so as Chinese emphasis on economic growth reduces funds available for immediate defense improvements in its long-term modernization programs. Although China continues to make incremental improvements in reorganizing and streamlining its military, Beijing still relies on its large population and resource base, and geographical size as the heart of its conventional deterrent.

Even though the Soviets maintain an enormous strategic nuclear superiority over the Chinese, China's extensive use of camouflage, concealment, and mobility is likely to preclude a disarming Soviet first strike against China's relatively small nuclear force. Slow growth over the next five years will likely include the introduction of a small number of SLBMs. The effectiveness of China's strategic forces will be reduced by ongoing Soviet upgrades to its missile defense systems.

The second significant regional balance, between North and South Korea, is of critical interest and concern to the United States. The military preparedness of the Republic of Korea, coupled with North Korea's perception of America's resolve, have been instrumental in keeping the peace for nearly 34 years. North Korea persists in its efforts to modernize its large armed forces, despite the devastating effects on its notoriously weak economy. It is also deploying these forces forward that reduces the warning time for South Korea. Current estimates indicate that North Korea carries a defense burden exceeding 20 per cent of its gross national product. North Korean modernization programs include continued reorganization and forward deployment of its army, and development of the second

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largest special operations forces in the world. All these forces are postured to attack in ways that maximize the opportunity of surprise.

The Republic of Korea, with U.S. assistance, has also been modernizing its forces, balancing these efforts within a strong, growing economy that is roughly four times the size of North Korea's. This economic asymmetry makes the long-term prospect for the Korean balance favorable. Nevertheless, in the face of Pyongyang's agressive actions, and in view of the potential for Soviet intervention that would quickly upset the balance, our current efforts to assist South Korea in redressing specific military problem areas must continue.

Southeast Asia is the locus of the remaining significant regional balance. Vietnam fields the world's third largest army. With direct financing from the Soviets, it continues to occupy Cambodia, threatens Thailand and the overall stability of ASEAN, and poses a constant menace to China by deploying some 700,000 troops along the Chinese border. In exchange for base rights, the Soviets provide military equipment and continue to support the failed Vietnamese economy. Containing this threat requires our continued attention.

Although some aspects of the regional balance favor the Soviets, there are many important theater-wide considerations that favor the United States and its allies. Japan plays a significant role in bolstering democratic defenses in the region. By virtue of its key location, improving capabilities, modernizing self-defense forces, and its assumption of new missions, Japan provides a major part of its own defense and offers essential infrastructure support to U.S. forward-deployed forces. The Soviet deployment of SSBNs in bastions close to the Soviet Union magnifies the strategic importance of islands that dominate the entrances to the Sea of Japan and the Sea of Okhotsk. The inclusion of Japan in this Soviet "sea-control" area underscores the Soviet threat to Japan. The rapid economic development of Japan and the newly idustrialized countries of the East Asian rim, together with the growth of the Chinese economy, continue to broaden the basis for developing the self-defense capabilities of friendly regional countries. The United States is pursuing economic and security policies that tie our countries more closely together, while assuring that technology transfer does not redound to the West's disadvantage. In view of these positive economic trends in East Asia, with the notable exception of Soviet allies or clients, the long-term regional trends appear favorable from our perspective.

Regional Security: East Asia and the Pacific

Events in East Asia and the Pacific over the past year have focused attention on important U.S. security and economic interests in the region. The change of government in the Philippines emphasized our determination to support the popular wishes of that democratic nation. On a negative note, the strength of the ANZUS treaty was weakened by New Zealand's actions leading to its suspension from U.S. security obligations under the treaty.

1. The Challenge of Preserving Independence and Stability in East Asia and the Pacific.

The Soviet Union continues to extend its power and influence in the region. Over 50 Soviet divisions are deployed in the Soviet Far East, along with about 2,000 tactical aircraft and one-third of the SS-20 mobile missile force. Modernization of Soviet naval forces in the region continues with the addition of Kirov cruisers to the expanding Soviet Pacific Fleet. The Soviets have also built up their forces in Vietnam and the South China Sea. More than 2,500 Soviet military advisors are supporting efforts in Vietnam, and approximately 30 Soviet ships routinely patrol the South China Sea. This build-up is clearly aimed at the United States and its allies and friends in the region.

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Since North Korean President Kim Il-Sung's visit to Moscow in 1984, the Soviet Union has expanded its military assistance to North Korea. In exchange, the Soviets have received overflight rights for both strike and reconnaissance aircraft. These improvements in Soviet-North Korean military co-operation clearly threaten security in Northeast Asia. Our support to the Republic of Korea (ROK) under the Mutual Defense Treaty of 1954, and in particular, the presence of U.S. forces in Korea, have played a key role in deterring North Korean aggression. North Korea's military modernization, reorganization, and repositioning of forces nearer the DMZ has seriously reduced attack warning time for U.S. and South Korean forces. We are, however, committed to meeting the challenges to regional security in Northeast Asia both by maintaining U.S. strength in the region and by aiding South Korea in its self-defense efforts. Our developing defense relationship with China is based on a commonality of security interests. A secure, modernizing China can be a force for peace and stability in East Asia and the world. During my recent visit to China, I reaffirmed our willingness to play a positive role in China's defense modernization. We will continue to pursue high-level dialogues, functional military exchanges, and military technological cooperation in areas that will enhance China's ability to defend itself against external threats.

The Cambodian people continue to suffer under a brutal Vietnamese military occupation. At the same time, the large Vietnamese force in Cambodia threatens our ally Thailand. We will continue to help the Thai Government meet regional threats and defend its borders against Vietnamese aggression.

2. U.S. Forces

A strong and visible U.S. presence in the region is necessary to deter the Soviet Union, North Korea, and Vietnam from interfering with the independence and stability of our allies and friends.

The U.S. Commander in Chief for the Pacific (USCINCPAC), with headquarters in Hawaii and forces spread across the Western Pacific and Indian Oceans, has responsibility for U.S. military operations in a region covering more than 50 per cent of the earth's surface.

3. Fulfilling Our Security Commitments in the Region

The sheer size of the East Asian and Pacific region and the limited availability of U.S. forces necessitates close cooperation with our friends and allies to meet threats posed by potential adversaries.

Japan. Japan's importance to security in the region cannot be overestimated. Though limited to a defensive role, the Japanese Self-Defense Forces are improving their capabilities.

The Japanese defense budget has grown, albeit from a low base, during the past 16 years, rising by more than 5 per cent in real terms annually despite a slowdown in overall government spending. This continuation of sustained real growth in defense spending is one in a series of encouraging steps that demonstrate Japan's recognition of its responsibility as a member of the democratic community of nations, an obligation formally accepted by Prime Minister Nakasone. Other positive steps include the acceptance of the defense of sea lines of communication to 1,000 nautical miles (forces for which are addressed by Japan's 1986–1990 Defense Plan) and, most recently, the decision to permit commercial participation in the Strategic Defense Initiative research effort.

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Republic of Korea (ROK). The threat to the ROK remains North Korea. Even though the presence of American troops gives the ROK important military advantages, North Korea today could launch a massive attack with minimal warning. Together with the ROK and our United Nations partners, we must continue to strengthen U.S. and ROK capabilities on the Korean peninsula. To this end, U.S. and ROK forces are modernizing steadily and participate jointly in five annual training exercises in Korea. Stability on the peninsula will enhance the success of international events, such as the 1988 Olympics, that are being held in the ROK, and sustain the growth in national pride and confidence that results from such successes.

The Philippines. Our security relationship with the Philippines rests on several interrelated factors. U.S. military facilities in that country permit us to maintain a continuous air and naval presence in the region. We are committed under the Mutual Defense Treaty of 1951 to assist in the defense of the Philippines in the event of attack. Finally, we share an interest in the maintenance of a friendly, democratic government in the Philippines, which is critical to the stability of Southeast Asia. Last February, the Philippine people took control of their own destiny through a peaceful democratic revolution. Communist insurgents, however, have been quick to capitalize on the economic hardships of the Marcos era. As a result, their insurgency has grown rapidly over the past few years and now constitutes a grave threat to Philippine democracy. The United States has moved since last February to provide substantial additional amounts of economic and military assistance to the Philippines. Continued assistance will be required in order to ensure that the Philippine Government has sufficient economic and security resources to complete the transition to permanent democratic government.

Thailand. While Thailand, a member of the Association of Southeast Asian Nations (ASEAN), has pledges of suppport from several of its neighbors in the event of an attack by the large Vietnamese forces in Cambodia and Laos, the Thais still consider the United States their primary defense ally. Under the Manila Pact, the United States has supported Thailand with a broad range of programs to improve and modernize the Thai armed forces. Our efforts have included joint participation in combined exercises, provision of equipment and training, and improved cooperative logistics support through the U.S.- Thai war reserve stockpile agreement. These robust, ongoing programs are enhancing both Thailand's security and world peace.

Australia and New Zealand. The ANZUS treaty, which until recently joined us with both Australia and New Zealand in common defense efforts, now operates in a practical sense as a bilateral mutual-security pact with Australia. While our commitment to security in the South Pacific remains as strong as ever, the New Zealand Government's unyielding position on port access forced us to drop New Zealand from formal U.S. security obligations. Bilateral cooperation with Australia, under ANZUS, will continue, however, as the cornerstone of our security efforts in the South Pacific. We look forward to New Zealand's early resumption of normal allied cooperation.

SOURCE: United States Information Service, Wireless File, 14 January 1987.

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